

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. www.veritasfin.in
Statement of financial results for the quarter and nine months ended 31 December 2023

Particulars	(All amounts are in INR in lakhs, except share data and stated otherwise)					
	Quarter ended			Nine months ended		Year ended
	31 December 2023	30 September 2023	31 December 2022	31 December 2023	31 December 2022	31 March 2023
	Unaudited (Note 4)	Unaudited	Unaudited (Note 4)	Unaudited	Unaudited	Audited
Revenue from operations						
Interest income	28,009.10	24,787.44	17,252.34	74,600.90	45,648.22	65,246.42
Fee income	890.61	855.88	494.72	2,406.76	1,276.95	1,870.42
Net gain on fair value changes	778.63	429.37	331.35	1,596.04	776.43	906.46
Total revenue from operations	29,678.34	26,072.69	18,078.41	78,603.70	47,701.60	68,023.30
Other income	274.06	252.58	33.65	613.24	138.24	197.84
Total income	29,952.40	26,325.27	18,112.06	79,216.94	47,839.84	68,221.14
Expenses						
Finance costs	8,580.01	6,951.74	4,733.30	21,894.48	11,696.16	16,921.31
Impairment on financial instruments	2,999.61	2,002.96	1,688.33	7,062.49	3,529.19	4,680.47
Employee benefits expenses	7,449.87	7,663.59	4,364.74	21,237.17	11,854.84	16,697.06
Depreciation and amortization	635.37	584.84	376.14	1,718.48	1,071.42	1,511.42
Other expenses	1,932.89	1,877.70	1,443.34	5,484.69	3,668.01	5,125.88
Total expenses	21,597.75	19,080.83	12,605.85	57,397.31	31,819.62	44,936.14
Profit before Tax, Exceptional and Extraordinary items	8,354.65	7,244.44	5,506.21	21,819.63	16,020.22	23,285.00
Exceptional and Extraordinary items	-	-	-	-	-	-
Profit before Tax	8,354.65	7,244.44	5,506.21	21,819.63	16,020.22	23,285.00
Tax expense						
Current tax	1,892.00	2,167.00	1,484.00	6,022.00	4,540.58	6,473.58
Deferred tax	125.97	(480.93)	(158.43)	(728.80)	(642.35)	(828.96)
	2,017.97	1,686.07	1,325.57	5,293.20	3,898.23	5,644.62
Profit after tax for the period / year	6,336.68	5,558.37	4,180.64	16,526.43	12,121.99	17,640.38
Other comprehensive income						
a) Items that will not be reclassified to profit or loss						
(i) Re-measurement of the defined benefit obligation	(63.69)	674.23	(153.83)	74.92	(199.10)	(228.34)
(ii) Income tax relating to items that will not be reclassified to profit or loss	16.03	(169.70)	38.72	(18.86)	50.12	57.48
Other comprehensive income for the period / year	(47.66)	504.53	(115.11)	56.06	(148.98)	(170.86)
Other comprehensive income / (deficit) for the period / year, net of income tax						
b) Items that will be reclassified to profit or loss						
(i) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-
Other comprehensive income(after tax) for the period / year (a+b)	(47.66)	504.53	(115.11)	56.06	(148.98)	(170.86)
Total comprehensive income for the period / year, net of income tax	6,289.02	6,062.90	4,065.53	16,582.49	11,973.01	17,469.52
Paid up Equity Share Capital	12,751.92	12,751.92	4,919.42	12,751.92	4,919.42	4,920.49
Paid up Compulsorily Convertible Preference Share capital	-	-	6,501.91	-	6,501.91	6,501.91
Other equity	2,12,018.57	2,05,540.29	1,42,030.97	2,12,018.57	1,42,030.97	1,47,703.20
Net worth (equity and preference share capital + other equity)	2,24,770.49	2,18,292.21	1,53,452.31	2,24,770.49	1,53,452.31	1,59,125.60
Earnings per equity share (not annualised)						
- Basic (INR)	4.96	7.07	8.55	19.37	24.91	36.15
- Diluted (INR)	4.77	6.58	3.45	17.71	10.02	14.57

See accompanying notes to the financial results



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Notes:

- 1 Veritas Finance Private Limited ("the Company") had received the Certificate of Registration dated 15 October 2015 from Reserve Bank of India ("RBI") to carry on the business of Non-Banking Financial Company without accepting public deposits ("NBFC-ND"). During May 2018, the Company had crossed the total assets threshold of INR 500 crores and had become a Non-Deposit Taking Systemically Important Non-Banking Financial Company ("NBFC-ND-SI").
The Company is a NBFC-ND-SI registered with the RBI and classified under middle layer as per scale based framework applicable from 01 October 2022. The Company has complied with and continues to comply with all the applicable regulations and directions of the RBI pertaining to middle layer.
The asset size of the Company had crossed INR 5,000 crore during the nine months ended 31 December 2023. Accordingly, the Company is in the process of complying with the new norms that are now applicable.
The Company is engaged in extending credit to micro and small enterprises, typically self-employed businesses and salaried segment primarily through business loans and housing loans. The Company follows a cash flow based model for credit assessment with suitable adaptations for each type of income sources. The loans are given for business expansion, working capital, purchase of assets, construction of houses etc.
- 2 The 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.
The financial results are prepared based on the notified Schedule III of the Act, as amended from time to time, for Non Banking Financial Companies that are required to comply with Ind AS.
- 3 The financial results for the quarter and nine months ended 31 December 2023 have been reviewed by the Audit Committee and subsequently approved by the Board of Directors at their respective meetings held on 30 January 2024 in terms of Regulation 33 and 52 of the Securities Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations 2015.
The above results have been subjected to review by the statutory auditors of the Company. The statutory auditors have issued an unmodified opinion. These financial results have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (India Accounting Standards) Rules, 2016. These financial results have been drawn up on the basis of Ind AS that are applicable to the Company as at 31 December 2023 based on the press release issued by Ministry of Corporate Affairs ("MCA") on 18 January 2016. Any application guidance/ clarifications / directions issued by RBI or other regulators are implemented as and when they are issued / applicable.
- 4 The figures for the quarter ended 31 December 2023 and 31 December 2022, are the balancing figures in respect of the reviewed figures of the nine months ended 31 December 2023 and 31 December 2022 and figures for the half year ended 30 September 2023 and 30 September 2022 respectively.
- 5 There is no separate reportable segment in accordance with Ind AS 108 on "Operating Segments" in respect of the Company.
- 6 Earnings per share for the quarter and nine months ended 31 December 2023 and 31 December 2022 and for the quarter ended 30 September 2023 have not been annualised.
- 7 Other equity includes statutory reserve as per section 45IC of the RBI Act, 1934, balance in securities premium, Employee Stock Option Plan reserve and retained earnings.
- 8 In terms of the requirement as per RBI notifications no. RBI/2019-20/170 DOR (NBFC).CC. PD No. 109/22.10.106/2019-20 dated 13 March 2020 on implementation of Indian accounting standards, NBFCs are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109 and Income recognition, Asset Classification and Provisioning (IRACP) Norms (including provision on standard assets). The impairment allowances under Ind AS 109 made by the Company amounting to INR 76.78 crores exceeds the total provision required under IRACP (including standard asset provisioning) INR 46.88 crores, by INR 29.90 crores as at 31 December 2023 and accordingly, no amount is required to be transferred to impairment reserve.



- 9 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.
- 10 All the Non-Convertible Debentures (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 2023.
- 11 Details of loans transferred / acquired during the period ended 31 December 2023 under the RBI Master Direction on Transfer of Loan Exposures dated 24 September 2021 are given below:
 (i) The Company has not transferred any Non-Performing Assets (NPAs).
 (ii) The Company has not transferred any Special Mention Account (SMA) and loan not in default.
 (iii) The Company has not acquired any loans not in default through assignment.
 (iv) The Company has not acquired any stressed loan.
- 12 The Company during the nine months ended 31 December 2023, had granted 2,10,000 Employees Stock Options of face value of INR 10 each at an exercise price of INR 475 per option, out of Employee Stock Options Scheme, on its own shares to specified employees of the Company on 26 October 2023.
 18,73,000 options of face value of INR 10 were exercised by the employees during the nine months period from April 2023 to December 2023. The total outstanding employee stock options as at 31 December 2023 stands at 18,06,250.
- 13 **Securitisation:** During the nine months ended 31 December 2023, the Company had raised INR 330.41 crores by way of transfer of certain pool of loan receivable accounts for consideration received in cash at the inception of the transaction through multiple securitisation transactions. In this regard, for each transaction, the Company has provided for first loss credit enhancement in the form of deposit and investment in equity tranche as credit support in the event of shortfall in collections from underlying loan contracts.
- 14 **Commercial paper:** During the nine months ended 31 December 2023, the Company had raised INR 105 crores by way of issuance of commercial paper with CARE A1+ rating assigned by CARE Ratings Limited.
- 15 Pursuant to RBI circular dated 16 November 2023, certain loan assets of the Company which are not in the nature of business loans and housing loans have been assigned a risk weight of 125% for the purpose of calculating capital risk adequacy ratio.
- 16 During the quarter ended 31 December 2023, the Company established a 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.
- 17 Being a Middle layer NBFC (NBFC-ML), the board of directors has approved the policy for Internal Capital Adequacy Assessment process (ICAAP). In this regard, the Company has completed assessment of its risks to ensure availability of adequate capital to cover all risks applicable to the Company for financial year ended 31 March 2022 and it is in the process of assessing the same for financial year ended 31 March 2023. Also, the Company has initiated necessary steps in terms of formulating an implementation plan and ensuring compliances with norms thereof.
- 18 The financial results for the quarter and nine months ended 31 December 2023 are available on the websites of BSE (<https://www.bseindia.com>) and the Company website (<https://www.veritasfin.in/announcement-and-results.php>).
- 19 During the nine months ended 31 December 2023, the Company commenced its operations from the new head office with effect from 15 April 2023. Necessary filings with the Ministry of Corporate Affairs is completed in this regard.
- 20 Previous period's/year figures have been regrouped/reclassified wherever necessary, to confirm with the current period presentation.

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 : 30 January 2024



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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 31 December 2023
(a)	Omitted*	-
(b)	Omitted*	-
(c)	Debt equity ratio Debt equity ratio is (Debt securities + Borrowings) / Net worth)	1.63 times
(d)	Omitted*	-
(e)	Omitted*	-
(f)	Debt service coverage ratio	Not Applicable Debt service coverage ratio is not applicable for Non-Banking Finance Company ("NBFC") registered with Reserve Bank of India and accordingly no disclosure has been made.
(g)	Interest service coverage ratio	Not Applicable Interest service coverage ratio is not applicable for NBFCs registered with Reserve Bank of India and accordingly no disclosure has been made.
(h)	Outstanding redeemable preference shares(quantity & value) :	NIL. The Company does not have any redeemable preference shares as at 31 December 2023 and hence this clause is Nil
(i)	Capital Redemption Reserve / Debenture redemption reserve :	Not Applicable Debenture 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.
(j)	Net worth	INR 2,24,770.49 Lakhs
(k)	Net profit after tax - For the nine months ended 31 December 2023 (Total comprehensive income)	INR 16,582.49 Lakhs
(l)	Earnings per share - For the nine months ended 31 December 2023	Basic - INR 19.37 (not annualised) Diluted - INR 17.71 (not annualised)
(m)	Current Ratio	1.72 times
(n)	Long term debt to Working Capital	479.53 times
(o)	Bad debts to Account Receivable Ratio	1.86%
(p)	Current Liability Ratio	21.14%
(q)	Total Debts to Total Assets Ratio	60.90%
(r)	Debtors Turnover Ratio	Not Applicable / not relevant to the Company and hence not disclosed
(s)	Inventory Turnover Ratio	Not Applicable / not relevant to the Company and hence not disclosed
(t)	Operating Margin (%)	55.18%
(u)	Net Profit Margin(%)	20.93%
(v)	Sector Specific Equivalent Ratio i) GNPA % (Gross Stage 3) ii) NNPA % iii) Provision Coverage Ratio ("PCR") (%) Impairment loss allowance for Stage III / Gross Stage III Loans iv) Security Cover Ratio v) Liquidity Coverage Ratio vi) Capital Adequacy Ratio	i) 1.86% ii) 1.05% iii) 43.87% iv) 1.10 times v) 646.12% vi) 45.29%

Note : * Omitted by the SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2021, w.e.f. 13 August 2021.

