

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 financial year ended 31 March 2024

(All amounts are in INR in lakhs, except share data and stated otherwise)

Particulars	Quarter ended			Year ended	
	31 March 2024	31 December 2023	31 March 2023	31 March 2024	31 March 2023
	Audited (Note 4)	Unaudited (Note 4)	Audited (Note 4)	Audited	Audited
Revenue from operations					
Interest income	31,105.54	28,009.10	19,598.20	1,05,706.44	65,246.42
Fee and commission income	782.08	888.46	593.48	3,186.30	1,869.42
Net gain on fair value changes	624.50	778.63	130.03	2,220.54	906.46
Sale of services	4.53	2.15	-	7.07	1.00
Total revenue from operations	32,516.65	29,678.34	20,321.71	1,11,120.35	68,023.30
Other income	646.48	274.06	59.61	1,259.72	197.84
Total income	33,163.13	29,952.40	20,381.32	1,12,380.07	68,221.14
Expenses					
Finance costs	9,665.01	8,580.28	5,225.53	31,561.84	16,921.69
Fees and commission expense	67.43	143.39	77.12	435.24	199.88
Impairment on financial instruments	2,580.78	2,999.61	1,151.27	9,643.28	4,680.47
Employee benefits expenses	7,923.77	7,449.87	4,842.22	29,160.93	16,697.06
Depreciation and amortization	637.86	635.37	440.00	2,356.33	1,511.42
Other expenses	1,811.47	1,789.23	1,380.38	6,925.99	4,925.62
Total expenses	22,686.32	21,597.75	13,116.52	80,083.61	44,936.14
Profit before Tax, Exceptional and Extraordinary items	10,476.81	8,354.65	7,264.80	32,296.46	23,285.00
Exceptional and Extraordinary items	-	-	-	-	-
Profit before Tax	10,476.81	8,354.65	7,264.80	32,296.46	23,285.00
Tax expense					
- Current tax	2,812.00	1,892.00	1,933.00	8,834.00	6,537.00
- Adjustment of tax relating to earlier periods	-	-	-	-	(63.42)
- Deferred tax	(314.00)	125.97	(186.61)	(1,042.80)	(828.96)
	2,498.00	2,017.97	1,746.39	7,791.20	5,644.62
Profit after tax for the period / year	7,978.81	6,336.68	5,518.41	24,505.26	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	(16.49)	(63.69)	(29.24)	58.43	(228.34)
(ii) Income tax relating to items that will not be reclassified to profit or loss	4.16	16.03	7.36	(14.71)	57.48
Sub-total (a)	(12.33)	(47.66)	(21.88)	43.72	(170.86)
b) (i) Items that will be reclassified to profit or loss	-	-	-	-	-
(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-
Sub-total (b)	-	-	-	-	-
Other comprehensive income(after tax) for the period / year (a+b)	(12.33)	(47.66)	(21.88)	43.72	(170.86)
Total comprehensive income for the period / year, net of income tax	7,966.48	6,289.02	5,496.53	24,548.98	17,469.52
Paid up Equity Share Capital (Face Value INR 10)	12,751.92	12,751.92	4,920.49	12,751.92	4,920.49
Paid up Convertible Preference Share capital	-	-	6,501.91	-	6,501.91
Reserves excluding Revaluation reserves	2,20,203.43	2,12,018.57	1,47,703.20	2,20,203.43	1,47,703.20
Net worth (equity and preference share capital + reserve and surplus excluding revaluation reserve)	2,32,955.35	2,24,770.49	1,59,125.60	2,32,955.35	1,59,125.60
Earnings per equity share of INR 10 each					
- Basic	6.04	4.96	11.22	23.98	36.15
- Diluted	6.00	4.77	4.54	23.76	14.57
	Not annualised	Not annualised	Not annualised	Annualised	Annualised

See accompanying notes to the financial results



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Statement of assets and liabilities as at 31 March 2024

(All amounts are in INR in lakhs, except share data and stated otherwise)

Particulars	As at 31 March 2024 (Audited)	As at 31 March 2023 (Audited)
ASSETS		
Financial assets		
Cash and cash equivalents	47,744.92	23,825.39
Bank balances other than cash and cash equivalents	18,197.03	28,583.38
Receivables		
- Trade Receivables	368.31	16.53
- Other Receivables	170.09	-
Loans	5,63,454.98	3,47,561.64
Investments	-	-
Other financial assets	2,357.66	821.32
	6,32,292.99	4,00,808.26
Non-financial assets		
Current tax assets (net)	158.82	52.17
Deferred tax assets (net)	4,141.29	3,113.20
Property, plant and equipment (including right of use asset)	4,622.67	4,146.52
Intangible assets	839.68	200.76
Intangible assets under development	49.05	16.08
Other non-financial assets	423.10	303.41
	10,234.61	7,832.14
Total Assets	6,42,527.60	4,08,640.40
EQUITY AND LIABILITIES		
Financial liabilities		
Trade payables		
- Total outstanding dues of micro enterprises and small enterprises	114.68	65.48
- Total outstanding dues of creditors other than micro enterprises and small enterprises	765.20	487.49
Debt securities	30,812.15	17,926.89
Borrowings (other than debt securities)	3,66,302.06	2,24,388.82
Other financial liabilities	6,429.11	3,514.28
	4,04,423.20	2,46,382.96
Non-financial liabilities		
Provisions	866.07	823.51
Other non-financial liabilities	4,282.98	2,308.33
	5,149.05	3,131.84
Equity		
Equity share capital	12,751.92	11,422.40
Other equity	2,20,203.43	1,47,703.20
	2,32,955.35	1,59,125.60
Total Equity and Liabilities	6,42,527.60	4,08,640.40

See accompanying notes to the financial results



(All amounts are in Indian Rupees in lakhs, except share data and as stated otherwise)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Cash flows from operating activities		
Profit before tax for the year	32,296.46	23,285.00
<i>Adjustments to reconcile profit before tax to net cash flows:</i>		
Depreciation and amortisation expense	2,356.33	1,511.42
Impairment on financial instruments	9,643.28	4,680.47
Share based payment expense	773.14	305.24
Interest income on security deposits	(76.23)	(28.65)
Profit on termination of leased assets	(30.72)	(10.27)
Finance costs	31,561.84	16,921.69
(Gain) / loss on sale of PPE (net)	(11.06)	3.43
Interest income on fixed deposits	(2,697.12)	(1,847.94)
Gain on sale of investments, net	(2,220.54)	(906.46)
Operating cash flow before working capital changes	71,595.38	43,913.93
Changes in working capital		
<i>Adjustments for (increase)/ decrease in operating assets:</i>		
Increase in loans	(2,25,528.09)	(1,39,026.84)
Increase in receivables	(521.87)	(16.53)
Increase in other financial assets	(1,544.88)	(134.61)
Increase in other non-financial assets	(119.70)	82.16
<i>Adjustments for increase/ (decrease) in operating liabilities:</i>		
Increase in trade payables	326.91	221.87
Increase in other financial liabilities	2,826.07	428.28
Increase in provisions	100.99	179.01
Increase in other non-financial liabilities	1,974.64	1,047.07
Cash used by operations	(1,50,890.55)	(93,305.66)
Finance costs paid	(34,697.74)	(17,656.24)
Interest received on bank balances other than cash and cash equivalents	2,697.12	1,847.94
Total Cash used by operations	(1,82,891.17)	(1,09,113.96)
Income tax paid (net of refunds)	(8,940.65)	(6,113.19)
Net cash used by operations (A)	(1,91,831.82)	(1,15,227.15)
Cash flows from investing activities		
Purchase of Property, Plant and Equipment (including capital work in progress)	(2,129.76)	(1,476.25)
Proceeds from sale of Property, Plant and Equipment	31.43	19.75
Increase in fixed deposits with banks (other than cash and cash equivalents)	10,386.35	(17,061.76)
Purchase of investments	(6,60,162.04)	(4,68,921.69)
Proceeds from sale of investments	6,62,382.58	4,69,828.15
Net cash generated from / (used in) investing activities (B)	10,508.56	(17,611.80)
Cash flows from financing activities		
Proceeds from issue of equity shares including securities premium	49,243.49	546.02
Payment of lease liabilities	(1,517.88)	(1,068.48)
Payment of share issue expenses	(735.86)	-
Proceeds from debt securities	26,500.00	20,000.00
Proceeds from borrowings (other than debt securities)*	2,67,216.00	1,89,748.50
Repayment of debt securities	(10,500.00)	(25,760.01)
Repayment of borrowings (other than debt securities)	(1,24,962.96)	(60,275.60)
Net cash generated from financing activities (C)	2,05,242.79	1,23,190.43
Net increase / (decrease) in cash and cash equivalents (A) + (B) + (C)	23,919.53	(9,648.52)
Cash and cash equivalents at the beginning of the year	23,825.39	33,473.91
Cash and cash equivalents at the end of the year	47,744.92	23,825.39
<i>*net of investment in equity tranche of Pass Through Certificates (PTCs) amounting to INR 6,520.85 Lakhs as on 31 March 2024 and INR 337.92 Lakhs as on 31 March 2023.</i>		
Components of cash and cash equivalents:		
Cash on hand	150.58	193.79
Balances with banks		
In current accounts	39,029.91	20,629.89
In deposit accounts (Original maturity less than three months)	8,564.43	3,001.71
	47,744.92	23,825.39



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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 Financial Year ended 31 March 2024.
The Company is engaged in extending credit to micro and small enterprises, typically self-employed businesses and salaried segment primarily through business loans, housing loans and used commercial vehicle 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 for the quarter and financial year ended 31 March 2024, which has been subjected to audit by the statutory auditors of the Company and subsequently approved by the Board of Directors at their respective meetings held on 25 April 2024 in terms of Regulation 33 and 52 of the Securities Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations 2015.
- 3 The statutory auditors have issued an unmodified opinion. These financial statements have been prepared in accordance with Indian Accounting Standards ('Ind AS') as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 ('the Act') as amended from time to time and in conformity with generally accepted accounting principles in India and other relevant provisions of the Act. 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 March 2024 and 31 March 2023 are the balancing figures in respect to audited figures of the full financial year and year to date figures of upto 31 December 2023 and 31 December 2022 respectively. The figures for the quarter ended 31 December 2023 are the balancing figures in respect of the reviewed figures of the nine months ended 31 December 2023 and figures of the half year ended 30 September 2023.
- 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 quarters ended 31 March 2024, 31 December 2023 and 31 March 2023 have not been annualised.
- 7 Other equity includes statutory reserve as per section 45IC of the RBI Act, 1934, balance in securities premium, share options outstanding account 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 89.24 crores exceeds the total provision required under IRACP (including standard asset provisioning) INR 51.53 crores, by INR 37.71 crores as at 31 March 2024 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 1.06 times of the principal and interest amount outstanding as at 31 March 2024.
- 11 Details of loans transferred / acquired during the financial year ended 31 March 2024 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 financial year ended 31 March 2024, had granted 7,26,667 Employees Stock Options of face value of INR 10 each at an exercise price of INR 475 & 75 per option, out of Employee Stock Options Scheme, on its own shares to specified employees of the Company on 26 October 2023, 30 January 2024 and 27 March 2024. 18,73,000 options of face value of INR 10 were exercised by the employees during the financial year ended 31 March 2024. The total outstanding employee stock options as at 31 March 2024 stands at 22,95,917.
- 13 The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund. The Ministry of Labour and Employment had released draft rules for the Code on Social Security, 2020 on November 13, 2020. The Company will assess the impact and its evaluation once the subject rules are notified. The Company will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.
- 14 **Capital raise:** During the financial year ended 31 March 2024, the Company raised additional capital as follows (apart from conversion of Compulsorily Convertible Preference Shares ("CCPS")):
 a) On 05 July 2023, the Company had raised INR 400.00 crores from new investors by issuing fully paid up equity shares of 82,36,723 at a price of INR 485.63 per share (including face value of INR 10 per share and securities premium of INR 475.63 per share) amounting to INR 8.24 crores and INR 391.76 crores respectively.
 b) Also, on 05 July 2023, the Company had raised INR 0.27 crores by issuing partly paid up shares of 26,89,518 at a price of INR 1 per share from existing individual shareholders of the Company.
 c) On 13 July 2023, the Company raised INR 78.68 crores by way of converting its partly paid up shares of 1,09,75,000 into fully paid up shares from the promoter of the Company.
 d) Further to the above, on 10 July 2023, the Company raised INR 13.30 crores upon exercise of stock options by 64 employees under the Company's employees stock option schemes.
 e) The Company also raised INR 0.19 crore upon exercise of stock options by 2 employees during August and September 2023.
- 15 In order to enable the aforementioned capital increase, the Company had increased its authorised equity share capital from INR 64.98 crores to INR 136.98 crores. Accordingly, the Memorandum Of Association (MOA) of the Company was amended to give effect to the above.
 The Company had duly obtained the consent of the shareholders vide an extraordinary general meeting dated 20 April 2023 to increase the authorised share capital and amend the MOA.
- 16 **Securitisation:** During the financial year ended 31 March 2024, the Company transferred certain pool of loan receivable accounts amounting to INR 614.36 crores and raised borrowings amounting to INR 552.53 crores, through multiple securitisation transactions, net of investment in equity tranche of Pass Through Certificates amounting to INR 61.83 crores. 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.
- 17 **Commercial paper:** During the financial year ended 31 March 2024, the Company had raised INR 105 crores by way of issuance of commercial paper with CARE A1+ rating assigned by CARE Ratings Limited.



- 18 **Conversion of preference share capital:** During September 2023, in accordance with the memorandum of association, articles of association, and the shareholder's agreement dated 21 June 2023, executed among the Company and the shareholders, the CCPS were converted into Equity shares of INR 10 each at a ratio of 1:1. The same was approved via board resolution dated 15 September 2023.
Pursuant to allotment of equity shares towards conversion of CCPS, intimation to BSE and PAS 3 were duly filed on 15 September 2023 and 03 October 2023 respectively.
- 19 Information as required by Reserve Bank of India Circular on Resolution Framework for COVID 19 related stress, dated 06 August 2020 and on Resolution Framework- 2.0: Resolution of COVID 19 related stress of Individuals and Small businesses, dated 05 May 2021 is attached in Annexure 2.
- 20 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.
- 21 During the financial year ended 31 March 2024, the Company established a trust by name "Veritas Employees Gratuity 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.
- 22 Being a Middle layer NBFC (NBFC-ML), the company's Internal Capital Adequacy Assessment Process (ICAAP) takes a structured approach towards the identification, assessment, and management of all risks that may have a materially adverse impact on our business, financial position, and capital adequacy. The ICAAP framework is guided by the Company's Board approved ICAAP Policy, which is in line with regulatory expectations. Also the company has enhanced its framework for Enterprise Risk Management (ERM) to a comprehensive and holistic approach to risk management. 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 2023 which include the Stress Test Scenario while assessing ICAAP.
- 23 The financial results for the quarter and financial year ended 31 March 2024 are available on the websites of BSE (<https://www.bseindia.com>) and the Company website (<https://www.veritasfin.in/announcement-and-results.php>).
- 24 The amount to be spent under CSR during the financial year ended 31 March 2024, was INR 304.30 Lakhs, out of which INR 153.00 Lakhs was expended during the year and resultant shortfall, aggregating to INR 151.30 Lakhs, is towards the ongoing project. Subsequently, this unspent amount has been transferred on 03 April 2024 to a Designated Unspent Corporate Social Responsibility Account with scheduled commercial bank.
- 25 During the financial year ended 31 March 2024, 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.
- 26 Previous period's/year figures have been regrouped/reclassified wherever necessary, to confirm with the current period/ year 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 : 25 April 2024



Veritas Finance Private Limited
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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 March 2024
(a) Omitted*	-
(b) Omitted*	-
(c) Debt equity ratio Debt equity ratio is (Debt securities + Borrowings) / Net worth)	1.70 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 March 2024 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 2,32,955.35 Lakhs
(k) Net profit after tax - For the financial year ended 31 March 2024 (Total comprehensive income)	INR 24,548.98 Lakhs
(l) Earnings per share - For the financial year ended 31 March 2024	Basic - INR 23.98 Diluted - INR 23.76
(m) Current Ratio	1.24 times
(n) Long term debt to Working Capital	316.74 times
(o) Bad debts to Account Receivable Ratio	1.79%
(p) Current Liability Ratio	26.05%
(q) Total Debts to Total Assets Ratio	61.81%
(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 (%)	56.82%
(u) Net Profit Margin(%)	21.84%
(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) 1.79% ii) 0.85% iii) 53.14% iv) 1.06 times v) 146.21% vi) 41.49%

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



Annexure 2

Disclosure pursuant to Reserve Bank of India Circular DOR. No. BP, BC/3/21.04.048/2020-21 dated 06 August 2020 pertaining to Resolution Framework for COVID 19 related stress read with RBI/ 2021- 22/31 DOR.STR.REC. 11/21.04.048/2021-22 dated 05 May 2021 pertaining to Resolution Framework-2.0: Resolution of COVID 19 related stress of Individuals and Small businesses.

Format - B :

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at 30 September 2023 (A)	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 31 March 2024
Personal Loans	-	-	-	-	-
Corporate persons	-	-	-	-	-
Of which, MSMEs	-	-	-	-	-
Others	2,298.16	151.06	178.80	527.16	1,441.14
Total	2,298.16	151.06	178.80	527.16	1,441.14

