



VERITAS FINANCE PRIVATE LIMITED

CIN: U65923TN2015PTC100328, RBI Regn No: N-07.00810
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Statement of Financial Results for the quarter and half year ended 30 September 2023 (All amounts are in INR lakhs, except share data and stated otherwise)

S.No	Particulars	Quarter Ended			Half Year Ended		Year Ended
		30.09.2023 Unaudited	30.06.2023 Unaudited	30.09.2022 Unaudited	30.09.2023 Unaudited	30.09.2022 Unaudited	31.03.2023 Audited
1	Total Income from Operations for the period / year	26,072.69	22,852.67	15,758.54	48,925.36	29,623.19	68,023.30
2	Net Profit for the period / year (before Tax, Exceptional and/or Extraordinary items)	7,244.44	6,220.54	5,721.62	13,464.98	10,514.02	23,285.00
3	Net Profit for the period / year before tax (after Exceptional and/or Extraordinary items)	7,244.44	6,220.54	5,721.62	13,464.98	10,514.02	23,285.00
4	Net Profit for the period / year after tax (after Exceptional and/or Extraordinary items)	5,558.37	4,631.38	4,354.78	10,189.75	7,941.36	17,640.38
5	Total Comprehensive Income for the period / year	6,062.90	4,230.58	4,356.98	10,293.48	7,907.49	17,469.52
6a	Paid up Equity Share Capital	12,751.92	4,920.49	4,857.34	12,751.92	4,857.34	4,920.49
6b	Paid up Compulsorily Convertible Preference Share Capital	-	6,501.91	6,501.91	-	6,501.91	6,501.91
7	Reserves (excluding Revaluation Reserve)	2,05,540.29	1,52,135.12	1,37,489.15	2,05,540.29	1,37,489.15	1,47,703.20
8	Securities Premium Account	1,58,123.16	1,10,359.44	1,09,701.57	1,58,123.16	1,09,701.57	1,10,359.44
9	Net worth (equity and preference share capital + reserve and surplus excluding revaluation reserve)	2,18,292.21	1,63,557.52	1,48,848.41	2,18,292.21	1,48,848.41	1,59,125.60
10	Paid up Debt Capital / Outstanding Debt (debt securities + borrowings)	3,22,341.32	2,47,446.49	1,75,313.56	3,22,341.32	1,75,313.56	2,42,889.21
11	Outstanding Redeemable Preference Shares	-	-	-	-	-	-
12	Debt Equity Ratio (Refer note d)	1.48	1.51	1.18	1.48	1.18	1.53
13	Earnings per share (of INR 10 each) (Refer note e)						
	- Basic	7.07	9.41	8.97	15.92	16.35	36.15
	- Diluted	6.58	3.80	3.59	13.90	6.55	14.57
14	Capital Redemption Reserve	-	-	-	-	-	-
15	Debenture Redemption Reserve (Refer note f)	-	-	-	-	-	-
16	Debt Service Coverage Ratio (Refer note g)	-	-	-	-	-	-
17	Interest Service Coverage Ratio (Refer note g)	-	-	-	-	-	-

- Notes:**
- (a) 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 period ended 30 September 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. The Company follows a cash flow based model for credit assessment with suitable adaptations for each type of business. The loans are given for business expansion, working capital, purchase of assets, construction of houses etc.
- (b) The Sl. No. 1 to 8 and 12 are extracts from the detailed format of financial results for the quarter and half year ended 30 September 2023 filed with the stock exchange under Regulation 52 of the SEBI (Listing and Other Disclosure Requirements) Regulations, 2015. The full format of the financial results for the quarter and half year ended 30 September 2023 are available on the websites of BSE (<https://www.bseindia.com>) and the Company website (<https://www.veritasfin.in/announcement-and-results.php>).
- (c) The financial results for the quarter and half year ended 30 September 2023 have been reviewed by the Audit Committee and subsequently approved by the Board of Directors at their respective meetings held on 26 October 2023. 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 Indian Accounting Standards ("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 30 September 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.
- (d) Debt equity ratio is calculated as ((Debt securities + Borrowings) / Net worth)).
- (e) Earnings per share for the quarter and half year ended 30 September 2023 and 30 September 2022 and for the quarter ended 30 June 2023 have not been annualised.
- (f) 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.
- (g) Debt service coverage ratio and Interest service coverage ratio is not applicable for Non-Banking Financial Company (NBFC) and accordingly no disclosure has been made.
- (h) There was no deviation/ variation in the use of the proceeds of the issue of Non-Convertible Debt Securities.
- (i) The figures for the quarter ended 30 September 2023 and 30 September 2022, are the balancing figures in respect of the reviewed figures of half year ended 30 September 2023 and 30 September 2022 and figures for the quarter ended 30 June 2023 and 30 June 2022.
- (j) 18,73,000 options of face value of INR 10 were exercised by the employees during the period April 2023 to September 2023. The total outstanding employee stock options as at 30 September 2023 stands at 16,11,250.
- (k) **Capital raise:** During the period ended 30 September 2023, the Company raised additional capital as follows (apart from conversion of preference shares):
- 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.
 - 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.
 - 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.
 - 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.
 - The Company also raised INR 0.19 crore upon exercise of stock options by 2 employees during August 2023 and September 2023.
- (l) In order to accommodate 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.
- (m) **Securitisation:** During the quarter and half year ended 30 September 2023, the Company had raised INR 111.15 crores by way of transfer of certain pool of loan receivable accounts for consideration received in cash at the inception of the transaction through securitisation rated AA+(SO) by ICRA Limited. In this relation, the Company has provided for first loss credit facility in the form of deposit for the amount of INR 5.56 crores as credit support in the event of shortfall in collections from underlying loan contracts.
- (n) **Commercial paper:** During the quarter and half year ended 30 September 2023, the Company had raised INR 50 crores by way of issuance of commercial paper with CARE A1+ rating assigned by CARE Ratings Limited.
- (o) **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 Compulsorily Convertible Preference Shares ("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.
- (p) 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.
- (q) Previous periods/ year figures have been regrouped/reclassified wherever necessary, to confirm with the current period/year presentation.