

## 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 ended 30 June 2023

Particulars	(All amounts are in INR in lakhs, except share data and stated otherwise)			
	Quarter ended			Year ended
	30 June 2023	31 March 2023	30 June 2022	31 March 2023
	Unaudited	Audited (Note 4)	Unaudited (Note 4)	Audited
<b>Revenue from operations</b>				
Interest income	21,804.36	19,598.20	13,375.71	65,246.42
Fee income	660.26	593.48	351.67	1,870.42
Net gain on fair value changes	388.05	130.03	137.27	906.46
<b>Total revenue from operations</b>	<b>22,852.67</b>	<b>20,321.71</b>	<b>13,864.65</b>	<b>68,023.30</b>
Other income	86.60	59.61	14.07	197.84
<b>Total income</b>	<b>22,939.27</b>	<b>20,381.32</b>	<b>13,878.72</b>	<b>68,221.14</b>
<b>Expenses</b>				
Finance costs	6,362.73	5,225.16	3,141.24	16,921.31
Impairment on financial instruments	2,059.93	1,151.27	1,088.51	4,680.47
Employee benefits expenses	6,123.71	4,842.22	3,498.63	16,697.06
Depreciation and amortization	498.26	440.00	337.28	1,511.42
Other expenses	1,674.10	1,457.87	1,020.66	5,125.88
<b>Total expenses</b>	<b>16,718.73</b>	<b>13,116.52</b>	<b>9,086.32</b>	<b>44,936.14</b>
<b>Profit before Tax, Exceptional and Extraordinary items</b>	<b>6,220.54</b>	<b>7,264.80</b>	<b>4,792.40</b>	<b>23,285.00</b>
Exceptional and Extraordinary items	-	-	-	-
<b>Profit before Tax</b>	<b>6,220.54</b>	<b>7,264.80</b>	<b>4,792.40</b>	<b>23,285.00</b>
<b>Tax expense</b>				
Current tax	1,963.00	1,933.00	1,592.00	6,473.58
Deferred tax	(373.84)	(186.61)	(386.18)	(828.96)
	<b>1,589.16</b>	<b>1,746.39</b>	<b>1,205.82</b>	<b>5,644.62</b>
<b>Profit after tax for the period / year</b>	<b>4,631.38</b>	<b>5,518.41</b>	<b>3,586.58</b>	<b>17,640.38</b>
<b>Other comprehensive income</b>				
a) Items that will not be reclassified to profit or loss				
Re-measurement of the defined benefit obligation	(535.61)	(29.24)	(48.20)	(228.34)
Income tax relating to items that will not be reclassified to profit or loss	134.81	7.36	12.14	57.48
<b>Other comprehensive income for the period / year</b>	<b>(400.80)</b>	<b>(21.88)</b>	<b>(36.07)</b>	<b>(170.86)</b>
<b>Other comprehensive income / (deficit) for the year, net of income tax</b>				
b) Items that will be reclassified to profit or loss				
Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-
<b>Other comprehensive income(after tax) for the period / year ( a+b)</b>	<b>(400.80)</b>	<b>(21.88)</b>	<b>(36.07)</b>	<b>(170.86)</b>
<b>Total comprehensive income for the period / year, net of income tax</b>	<b>4,230.58</b>	<b>5,496.53</b>	<b>3,550.51</b>	<b>17,469.52</b>
Paid up Equity Share Capital (Face Value INR 10)	4,920.49	4,920.49	4,857.34	4,920.49
Paid up Convertible Preference Share capital	6,501.91	6,501.91	6,501.91	6,501.91
Reserves excluding Revaluation reserves as at	1,52,135.12	1,47,703.20	1,33,062.23	1,47,703.20
<b>Net worth (equity and preference share capital + reserve and surplus excluding revaluation reserve)</b>	<b>1,63,557.52</b>	<b>1,59,125.60</b>	<b>1,44,421.49</b>	<b>1,59,125.60</b>
Earnings per equity share of INR 10 each				
- Basic	9.41	11.22	7.38	36.15
- Diluted	3.80	4.54	2.96	14.57
	Not annualised	Not annualised	Not annualised	Annualised

See accompanying notes to the financial results



**Notes:**

- 1 Veritas Finance Private Limited ("the Company") is a Non-Deposit taking Systemically Important Non-Banking Financial Company (NBFC-ND-SI), registered with the Reserve Bank of India ("the RBI") and classified under middle layer as per scale based framework applicable from 01 October 2022.
- 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 ended 30 June 2023 have been subjected to review by Statutory auditors and Audit Committee of the Company and subsequently approved by the Board of Directors at their respective meetings held on 27 July 2023 in terms of Regulation 33 and 52 of the Securities Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations 2015. The statutory auditors have issued an unmodified opinion.
- 4 The figures for the quarter ended 31 March 2023, are the balancing figures between audited figures in respect of the full previous financial year and the reviewed year-to-date figures upto third quarter of previous financial year.  
The figures pertaining to quarter ended 30 June 2022 were subjected to review by the statutory auditors of the Company.
- 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 ended 30 June 2023, 31 March 2023 and 30 June 2022 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 65.05 crores exceeds the total provision required under IRACP (including standard asset provisioning) INR 42.99 crores, by INR 22.06 crores as at 30 June 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 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 1.05 times of the principal and interest amount outstanding as at 30 June 2023.
- 11 Details of loans transferred / acquired during the quarter ended 30 June 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 During the quarter, April to June 2023, there was no allotment/ exercise of options (10,650 options of face value INR 10 was allotted and exercised for the 3 months ended 31 March 2023). The total outstanding employee stock options as at 30 June 2023 stands at 35,22,500.



**13 Significant events subsequent to the balance sheet date:**

During the month of July 2023 the Company has raised additional capital as follows:

- 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.
- 14 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.
- 15 Applying the scale based regulations issued by RBI vide circular dated 22 October 2021 (applicable from 01 October 2022), the Company would be classified as 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 commenced a process to perform a realistic assessment of its risks to ensure availability of adequate capital to cover all risks applicable to the Company.  
Also, the Company has initiated necessary steps in terms of formulating an implementation plan and ensuring compliances with norms/changes suggested as and when they become applicable.
- 16 The financial results for the quarter ended 30 June 2023 are available on the websites of BSE (<https://www.bseindia.com>) and the Company website (<https://www.veritasfin.in/announcement-and-results.php>).
- 17 During the quarter, the Company commenced its operations from the new head office with effect from 15 April 2023. Necessary filings with the Ministry of Corporate Affairs was completed during the quarter.
- 18 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 : 27 July 2023



**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,**

Particulars		As at 30 June 2023
(a)	Omitted	-
(b)	Omitted	-
(c)	Debt equity ratio Debt equity ratio is (Debt securities + Borrowings) / Net worth)	1.51 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 30 June 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 1,63,557.52 Lakhs
(k)	Net profit after tax -For the quarter ended 30 June 2023 ( Total comprehensive income )	INR 4,230.58 Lakhs
(l)	Earnings per share - For the quarter ended 30 June 2023	Basic - INR 9.41 not annualised Diluted -INR 3.80 not annualised
(m)	Current Ratio	1.54 times
(n)	Long term debt to Working Capital	Not applicable. The Company does not have any working capital borrowings as of 30 June 2023.
(o)	Bad debts to Account Receivable Ratio	2.17%
(p)	Current Liability Ratio	20.05%
(q)	Total Debts to Total Assets Ratio	58.93%
(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 (%)	54.85%
(u)	Net Profit Margin(%)	18.44%
(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) 2.17% ii) 1.25% iii) 43.13%  iv) 1.05 times v) 720.13% vi) 41.75%



**Independent Auditor's Review Report on Unaudited Quarterly Financial Results of the Company Pursuant to the Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)****Review Report To  
The Board of Directors  
Veritas Finance Private Limited**

We have reviewed the accompanying Statement of unaudited financial results of Veritas Finance Private Limited (the 'Company') for the quarter ended 30 June 2023, (the 'Statement') being submitted by the Company pursuant to the requirements of Regulation 52 of the Securities and Exchange Board of India ('SEBI') (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('the Listing Regulations').

This Statement, which is the responsibility of the Company's management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013, the circulars, guidelines and directions issued by Reserve Bank of India ("RBI") from time to time ("RBI guidelines") and other accounting principles generally accepted in India and in compliance with Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the 'Listing Regulations'). Our responsibility is to issue a report on the Statement based on our review.

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 ('ICAI'). 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 is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.



# SUNDARAM & SRINIVASAN

CHARTERED ACCOUNTANTS

Offices: Chennai - Mumbai - Bangalore - Madurai

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 applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by the Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.

For Sundaram & Srinivasan  
Chartered Accountants  
Firm Regn. No. 0042075



S. Usha  
Partner  
Membership Number: 211785  
UDIN: 23211785BGWCZM7802



Place: Chennai  
Date: 27<sup>th</sup> July 2023