July 23rd , 2020

Vistra ITCL (India) Limited
(Formerly IL&FS Trust Company Limited)
The IL&FS Financial Centre
Plot C- 22, G Block, 7th Floor
Bandra Kurla Complex, Bandra (East)
Mumbai 400051

Dear Sir

Sub: Submission of Quarterly Compliance Report- June 2020

Please find enclosed the Compliance Report for the Quarter ended June 30th , 2020 alongwith Annexures with respect to 12%, 325 NCDs of face value of Rs. 1,00,000/- each having ISIN No. INE 352P07020.

Yours faithfully

For Venus India Asset-Finance Private Limited

Indu Singh
Company Secretary
M. No.- A39681
Address: F12/3A, Sai Vatika Apartments
Sector-63, Faridabad
Ballabgarh – 121004

VENUS INDIA
Asset Finance Pvt. Ltd.

Compliance Report for the quarter ended June 30, 2020

Name of Issuer Company : Venus India Asset-Finance Pvt. Ltd.

Information submitted at the times of issuance/allotment:

1	Description of the Debenture Series /Issue (Secured / Unsecured PCD/FCD/NCD)	Secured
2	Type of Issue (Private / Public / Rights)	Private
3	Issue Amount and Amounts Raised	**Rs. 6,50,00,000/- (Rupees Six Crore & Fifty Lacs Only)**
4	Listed/Unlisted (If Listed, the Exchange where listed)	**Listed (BSE)**
5	ISIN (Listed and Unlisted)	**INE 352P07020**
6	Date of Listing of NCDs (please provide confirmation and supporting from BSE/NSE)	13th April, 2016
7	Whether there has been delay in Listing of the debt securities beyond 20 days from the deemed date of allotment If yes, confirm whether the Issuer Company has paid penal interest of at least @ 1 % p.a. over the coupon rate from the expiry of 30 days from the deemed date of allotment till the listing of such debt securities to the investor.	N/A
8	Original & Revised (if any) Coupon Rate	Same
9	Tenor of Issue	60 Months from the deemed date of allotment
10	Date of Allotment of Debentures	31st March, 2016
11	Whether RTA / Company has forwarded the details of debenture holders to the DT at the time of allotment.	N/A
12	PAS-3, PAS-4, PAS-5 filed with ROC within specified time limit (please provide confirmation and supporting)	PAS-3 was filed vide SRN No. G01626373 dated 22/04/2016
13	Date of Issue of Debenture Certificate (Physical) or Credit to Demat A/c	1st April, 2016
14	Credit Rating at the time of issue / last credit rating prior to change	BWR BBB Stable (Triple B from Brickwork Ratings India Pvt. Limited)
15	No. of debenture holders on the date of Allotment	01 (One)
16	Name of the Debenture holder representative/facility agent along with its contact details	N/A
17	Details of Debenture holders holding more than 10% of debentures in value for the time being outstanding	Name:- M/s Vacuf Limited Holding: 100% Address: St. Louis Business Centre, CNR Desroches & St. Louis Steerts, Port Louis, Mauritius Contact No.: 00 230 203 1100
18	Whether the company has issued debentures to Foreign debenture holders	Yes
19	Certificate of inspection of trust property (security provided – immovable) is confirmed annually by the Auditors of the Company.	N.A.
20	Valuation Report (if applicable) has been obtained from Government approved valuer	N.A.
21	ROC Search Report has been obtained	N.A.
22	Details Regarding Registration of charges and reasons for delay (if any)	FORM CHG-9 was filed vide SRN No. G01834076 dated 26/04/2016.

Information submitted on quarterly basis:

1	Confirmation of having complied with Foreign Account Tax Compliance Act (FATCA) as regards the investors, borrowers and other intermediaries (If Applicable - along with supporting documents, registration number etc)	N.A.
2	Outstanding amount as on June 30, 2020	**Rs. 3,25,00,000/- (Rupees Three Crore & Twenty Five Lacs Only)**
3	Previous Interest Payment Date and Amount paid	For 110 12% NCDs * Date14th January, 2020 Amount: Rs.56,15,414/- (after deducting TDS)
4	Next Interest Payment Date and Amount	N.A
5	Previous Repayment Date and Amount paid	For 110 12% NCDs * Date: 14th January, 2020 Amount: Rs.1,10,00,000/-
6	Next Repayment Date and Amount	For 325 12% NCDs* Date: 31st March, 2021 Amount: Rs.3,25,00,000/-
7	Whether there has been any delay / default in payment of interest and/or principal amount? If yes, the due dates thereof & date of payment and confirm if the additional interest of atleast @ 2% p.a. over the coupon rate is paid to the Investors.	No
8	Present Credit Rating and date of change of credit rating. In case of revision, please attach letter from Credit Rating Agency indicating revision in rating.	BWR BBB Stable (Triple B from Brickwork Ratings India Pvt. Limited) w.e.f. 18th December, 2018 (Attached as Annexure 10)
9	No. of debenture holders as on last day of this quarter, (please provide details of NCD Holder viz. Names, Holding, Mailing Address, Contact Nos. (Benpos))	01 (One) Name:- M/s Vacuf Limited Holding: 100% Address: St. Louis Business Centre, CNR Desroches & St. Louis Steerts, Port Louis, Mauritius Contact No.: 00 230 203 1100
10	Whether RTA / Company has forwarded the details of debenture holders to the DT by the seventh working day of every next month.	Yes
11	Brief details of the security created till date for the Debentures including third party securities	First & Exclusive charge over the Monies Raised by the issue of the NCDs and all assets and receivables procured with such monies.
12	Whether any security is pending to be created for the Debentures, if yes provide details of the same along with the date by which such security is to be / was to be created	N.A.
13	Whether the Secured Assets are insured? If yes, attach the latest renewed copies thereof	N.A.
14	Confirmation with respect to submission of Half yearly communication (HYC) to BSE / NSE for the last applicable half year and reasons for non submission/ delay if any (Only for Listed) unaudited/audited financial results on half yearly basis should be submitted to exchanges within 45 days from the end of half year	The Audited Financial Result for the year ended as on 31st March, 2020 has been submitted to exchange on 26th June 2020, in their prescribed format. Whereas, the Unaudited Financial results for the half year ended as on September 30, 2019

		has been submitted to BSE on 12th December, 2019 in their prescribed format
15	Half yearly results statement should indicate material deviation, if any. This should cover deviation in use of proceeds of issue other than the object stated in offer document	N.A.
16	Publication of financial results and statements within 2 calendar days of the conclusion of the Board Meeting. (atleast in one English national daily newspaper)	In view of the CoVID-19 pandemic, SEBI has provided exemptions to listed entities, from publication of advertisements in newspapers for all events including publication of Financial Results & Statements till June 30, 2020 vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/ 2020/63 dated 17th April, 2020 read with Circular No. SEBI/HO/CFD/CMD1/CIR/P /2020/79 dated 12th May, 2020 issued under Regulation 52(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Hence Publication of financial results and statements in newspapers are not required.
17	HYC submitted to stock exchange contains certificate signed by Debenture Trustee	The Certificate from Debenture Trustee for the half year ended 31st March, 2020 was submitted to Stock Exchange on 29th June, 2020
18	Whether unaudited financial results are accompanied by Limited Review Report (LRR)* *LRR is not required if the company has intimated exchanges in advance that it shall submit annual audited results within 60 days from the end of Financial Year	Yes, we have submitted the Annual Audited results to Stock Exchange as on 26th June, 2020. Whereas, we have submitted the unaudited financial results along with Limited Review Report(LRR) along with September ended Quarterly Compliance Report.
19	Whether all taxes, cesses, insurance premia, any other government charges with respect to Secured Assets for the issue have been paid. If No, please give details and reasons for the same	N.A.
20	Whether Debenture Redemption Reserve (DRR) as per SEBI Guidelines and Companies Act has been maintained. If No, please give reasons for the same. Please provide details / issue wise of DRR amount and date of transfer till date	N.A.
21	Confirmation & Supporting of creation / maintaining DRR before April 30th by way of deposit / invest not less than 15% of the amount of debentures maturing during the year ending June 30, 2020 as detailed in the clarification circular provided by MCA including mode of creation of DRR	N.A.
22	Whether any material change has taken place in the nature and the conduct of the business of the Issuer since the date of Issue which is detrimental to the interest of debenture holders. If yes, please give	No

	details	
23	Whether any orders, directions, notice of court/ tribunal / authority affecting or likely to affect the Secured Assets has been passed. If yes, please give details	No
24	Whether any major change in the composition of the Board of directors or shareholders as defined in SEBI (Substantial Acquisition and Take Over) Regulations, 2011 which amounts to change in control of Issuer Company has occurred. If yes, please give details	No
25	Whether any Post dated Cheques (PDCs) are issued as Security, if yes then provide the favoring name of PDC	No
26	Whether any change in Authorized Signatory to bank accounts and Escrow Account who had signed Post dated Cheques (PDCs) as security as per transaction documents.	N.A.
27	Security Cover as on June 30, 2020(Please attach CA Certificate in the format as stated in Annexure)	Attached as **Annexure 4**
28	Whether Register of Debenture Holders has been maintained with their addresses and whether the transfers and changes in ownership have been recorded. If no, please give reasons.	Attached as **Annexure 1**
29	In case of Partially / Fully Convertible Debentures, whether the debentures have been converted into equity in accordance with the terms of issue? If no, please give reasons.	N.A.
30	Whether all the terms & conditions of the transaction documents are complied with? If no, please give reasons.	Yes
31	Whether the provisions of the following laws applicable to debentures have been complied with : a) Companies Act, 2013 and Rules made thereunder (For all Issuers) b) SEBI Model Listing Agreement (For Listed Issues) c) SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015 (For Listed Issues) d) SEBI (Issue of Capital and Disclosure Requirements), 2009 (For all issuers) e) SEBI (Issue and Listing of Debt Securities), 2008	Yes
32	Whether any dividend has been declared during this quarter.	N.A.
33	Nature of investor grievances received for year ended June 30 , 2020 its status as on date of the submission of QCR and reason for the non resolution/ delay if any (Details to be separately provided in annexure as enclosed)	Attached as **Annexure 2**
34	Any Buy Back of NCDs during the quarter and details of the same	No
35	Whether the company has given prior intimation to exchanges of at least 11 working days before the date on and from which the interest on Debenture and redemption amount of Debentures is payable	N.A.
36	Whether the company has maintained functional website containing requisite information (Reg 62)	Yes

37	Whether the company has intimated exchange(s) about its intention to raise funds through issue of new NCD and such intimation was given prior to holding Board meeting	N.A.
38	Compliance with Accounting Standard and Financial disclosures	Yes
39	Compliance with Corporate Governance provisions as specified in Chapter IV viz Related Party framework, Independent Directors, submission of quarterly compliance report on corporate governance to Exchange(s), prior intimation to exchanges, disclosure of material information/event, shareholding pattern	Yes
40	Whether Directors and KMPs have disclosed to Board of Directors whether they are directly or indirectly have material interest in any transaction	Yes
41	Whether the company has appointed qualified Company Secretary as the Compliance Officer	Yes
42	Whether the Company has appointed Share transfer agent or manage the same in house	N.A.
43	Whether the Company has preserved the transactions records at least for 8 years	Yes
44	Whether the Company is registered on the SEBI SCORES	Yes
45	Whether statement of investor grievances has been filed to Exchanges within 21 days from the end of quarter	Yes
46	Whether the Company has constituted following committees and held meetings in compliance with the provisions • Audit Committee • Nomination and Remuneration Committee • Stakeholders Relationship Committee • Risk Management Committee	Yes
47	Whether the Company has made disclosure of material events/information to Exchanges and Debenture Trustee, if any	Yes
48	Whether the company has submitted Annual Report within 21 working days to stock exchange(s)	Yes
49	In case the Company has provided Post Dated Cheques (PDCs) in favour of Trustee towards security, whether the same are reissued in the new name of Trustee i.e Vistra ITCL (India) Limited	N.A.
50	Whether the Company has submitted a compliance certificate to the Exchange(s), duly singed by both Compliance Officer of the listed entity and the authorised representative of the transfer agent (RTA)	Yes
51	Whether the Company and its directors are / were involved in any civil or criminal proceedings, litigation connected with the securities market or any order has / had been passed against them for violation of any laws.	N.A.
52	Whether any NCLT proceedings has been initiated against the company, if yes, provide details.	N.A.
53	In case of default in payment of Interest/principal Whether the company has made disclosures to the Credit Rating Agencies in timely manner	N.A.
54	In case of default in payment of interest / instalment	N.A.

	obligations on loans, including revolving facilities like cash credit, from banks / financial institutions, whether the company has made disclosure to the Stock exchange. (Refer SEBI circular No. SEBI/HO/CFD/CMD1/CIR/P/2019/140 dated November 21, 2019). If yes, please provide copy of disclosure.	
55	All the terms of issue of debentures or covenants of the trust deed are complied with. If no, provide details along with reason for non-compliance	Yes
56	Certificate of inspection of trust property (security provided – immovable) is confirmed Annual by the Auditors of the Company	N.A

*** Early Partial Redemption of NCDS on the request of debentureholders.**

VENUS INDIA
Asset Finance Pvt. Ltd.

ANNEXURES

1	Updated list of names and addresses of debenture holders. - Attached
2	Number and nature of grievances received from debenture holders and time frame within which the same were resolved by the Issuer Company. NIL statement to be submitted in case of no grievances.- Attached
3	Companies Statutory Auditors Certificate certifying the following on Annual Basis (If already provided, please ignore): a. End utilization certificate of the Debenture Subscription receipts from issuer's statutory auditor (Refer Regulation 15 (1A) of SEBI (Debenture Trustees) Regulations, 1993). -Will provide shortly b. Certificate from statutory auditor giving the value of book debts/receivables (Refer Regulation 15(t)(ii)(a) of SEBI (Debenture Trustees) Regulations, 1993). - Will provide shortly
4	Security Cover certificate from a Chartered Accountant i. Total assets charged — Rs. A ii. Total debts secured by way of charges created over the assets with details thereof — Rs. B iii. Security Cover = A/B Note: If third party security is created, please include the same and give supporting-Attached
5	Quarterly audited / unaudited financials of the Issuer or audited annual accounts of the issuer company whichever applicable- Unaudited financials already provided with September 2019 , Audited Financials along with the Auditor's Report and notes as on 31st March 2020 - Attached
6	Insurance Policy of the security charged in our favour. In case Insurance Policy has expired, please provide Renewed Insurance Policies-NA
7	In case of listed debt securities secured by way of receivables/ book debts on Quarterly basis provide: a) Certificate from Director / Managing Director of the issuer company, certifying the value of book debts / receivables (Applicable for Listed NCDs) as on June 30, 2020 along with details of the said book debts and/or receivable- Attached b) Certificate from an independent chartered accountant giving the value of book debts/receivables - will provide you shortly
8	Report of the Lead Bank regarding a. progress of the Project b. report on monitoring of utilization of funds raised for the issue-NA
9	Copy of all notices, resolutions and circulars relating to new issue of non-convertible debt securities, proceedings of meetings of debenture holders, advertisement issued in the media-NA
10	Letter issued by Credit Rating agency for revised credit rating-Attached

	Contact Details : a) Name of Authorised Signatory: **Anurag Garg** **b)** Email Address: **compliance@venusfin.com/ accounts@venusfin.com** c) Contact Numbers: **0120-4681234/36** **d)** Name, Address and Email id of R&T Agent: **Link Intime India Pvt. Ltd., C-13, Pannalal Silk Mills Compound, L.B.S Marg, Bhandup (West), Mumbai-400 078, www.linkintime.co.in** e) Name , Address and Email id of the Credit Rating Agency: **Brickwork Ratings India Pvt. Ltd., 3rd Floor, Raj Alkaa Park, 29/3 & 32/2 Kalena Agrahara, Bannerghatta Road, Bengaluru – 560076, www.brickworkratings.com**

For Venus India Asset-Finance Pvt. Ltd.

VENUS INDIA ASSET-FINANCE PVT. LTD. New Delhi

Indu Singh
Company Secretary
23/07/2020

VENUS INDIA
Asset Finance Pvt. Ltd.

Annexure 1

LIST OF NAMES AND ADDRESSES OF DEBENTURE HOLDERS

AS ON JUNE 30 , 2020

S.No.	Name & Occupation of Beneficial Owner	Address of Beneficial Owner	Nationality of Beneficial Owner	PAN No of Beneficial Owner
1	M/s VACUF LTD (Business)	St. Louis Business Centre, CNR Desroches & St. Louis Steerts, Port Louis, Mauritius	Mauritian	AACCV0362K

For Venus India Asset-Finance Pvt. Ltd.

Indu Singh
(Company Secretary)
23/07/2020

VENUS INDIA
Asset Finance Pvt. Ltd.

Annexure 2

Number of Investor grievances received for quarter ended June 30, 2020	Nil
Details of grievances received i.e. Complainant, nature of Complaint, etc	NA
Number of Investor grievances pending for quarter ended June 30, 2020	Nil
Whether any grievance is pending for more than 30 days? If yes, then please provide details and reasons thereof	NA

For Venus India Asset-Finance Pvt. Ltd.

Venus India Asset-Finance Pvt. Ltd. New Delhi

Indu Singh
(Company Secretary)
23/07/2020

T R Chadha & Co LLP
Chartered Accountants

DEBENTURE SECURITY CERTIFICATE

To,
Finance Department
M/s Venus India Asset Finance Pvt. Ltd.
198/12-13, 2nd Floor,
Ramesh Market,
East of Kailash,
New Delhi-110065

Independent Auditor's Certificate with respect to Debt Equity ratio, Asset Coverage ratio and outstanding Non-convertible debentures **of M/s Venus India Asset Finance Pvt. Ltd. as on 30th June 2020.**

We understand that M/s Venus India Asset Finance Pvt. Ltd having its registered office at 198/12-13, 2nd Floor, Ramesh Market, East of Kailash, New Delhi-110065 has requested us to issue a certificate confirming the Debt Equity ratio, Asset Coverage ratio and outstanding Non-convertible debentures as on 30th June, 2020 for the purpose of submission to their Debenture trustees.

Management's Responsibility

The Company's Management is responsible for providing relevant information, explanations and their correctness for issuance of the certificate.

Auditor's Responsibility

Our responsibility is to certify the Debt Equity ratio, Asset Coverage ratio and outstanding Non-convertible debentures of M/s Venus India Asset Finance Pvt. Ltd. as on 30th June, 2020 (as per Annexure 1) as furnished by the company.

We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Corporate Office/ Regd. Office : B-30, Connaught Place, Kuthiala Building, New Delhi – 110001
Phone : 43259900, Fax : 43259930, E-mail : delhi@trchadha.com

Opinion

On the basis of the examination of the unaudited books of accounts and other relevant records and the further explanations/information given to us by the management of the company, we hereby certify, the Debt Equity ratio, Asset Coverage ratio and outstanding Non-convertible debentures as on 30th June , 2020 (as per Annexure 1) as furnished by the company as follows :-

1. **Debt Equity Ratio** : 0.44

2. **Asset Coverage Ratio** : 3.21

3. The company has 325 units of Non-convertible debentures (NCDs) of Rs. 1,00,000 each outstanding as on 30th June, 2020. The NCDs are secured by first and exclusive charge over the monies raised by issue of the NCDs and all assets and receivables were procured with such monies. (Detailed workings of the same is attached as Annexure)

Restriction on Use

This certificate has been issued to the management of M/s Venus India Asset Finance Pvt. Ltd. for the purpose of internal use of the company's Debenture trustees and should not be used for any other purpose without our written consent.

For T R Chadha & Co LLP
Chartered Accountants
Firm's Registration Number 006711N/N500028

NEENA GOEL
Digitally signed by NEENA GOEL
Date: 2020.07.20 18:26:28 +05'30'

Neena Goel
Partner
M. No. 057986
UDIN: 20057986AAAAID9533

Place: New Delhi
Date: 20th July 2020

Annexure-1

Detail of Calculations

1. Debt Equity Ratio:

Particulars	**Amount in Rs.**
Debentures	3,25,00,000
Borrowings	82,45,01,092
Total Debt (A)	**85,70,01,092**
Equity Share Capital	97,61,98,320
Reserves and surplus	98,45,74,433
Total Equity (B)	**1,96,07,72,753**
Debt Equity Ratio (A / B)	**0.44**

2. Asset Coverage Ratio:

Particulars	**Amount in Rs.**
Fixed Assets – Tangible	1,06,25,000
Other Assets	2,81,53,35,000
Less: Current Liabilities and Provisions (excl. current maturity of long-term loans and Short-term Borrowings)	7,15,49,485
Total (A)	**2,75,44,10,515**
Debentures	3,25,00,000
Short term borrowings	82,45,01,092
Total Debt Obligations	**85,70,01,092**
Asset Cover Ratio	**3.21**

Walker Chandiok &Co LLP

Walker Chandiok & Co LLP
(Formerly Walker, Chandiok & Co)
L-41 Connaught Circus
New Delhi 110001
India

T +91 11 4278 7070
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Independent Auditor's Report

To the Members of Venus India Asset-Finance Private Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of Venus India Asset-Finance Private Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2020, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter- COVID-19

4. We draw attention to note 42 of the accompanying financial statements, which describes the uncertainties relating to the effects of COVID-19 pandemic on the Company's operations. Our opinion is not modified in respect of this matter.

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

6. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Expected Credit Losses on loan assets (ECL) **(Refer Note 3 (f) to the accompanying financial statement for significant accounting policy and note 7 and 8 for the loan assets and note 39 (A) for related disclosures**	
As at 31 March 2020, the Company has reported gross loan assets of amounting to Rs. 29,462.71 lakhs against which an impairment of Rs. 2,096.26 lakhs has been recorded. Ind AS 109- Financial Instruments, requires the Company to provide for impairment of its financial assets using expected credit loss ('ECL') approach which involves estimation of probability of loss on the financial assets over their life, considering reasonable and supportable information about past events, current conditions and forecasts of future economic conditions which could impact the credit quality of the Company's financial assets. In this process, the Company has applied a three-stage approach based on changes in credit quality to measure expected credit loss on loan assets which is as follows: • If the loan assets is not credit-impaired on initial recognition, then it is classified in 'Stage 1' and its credit risk is continuously monitored by the Company i.e. the default in repayment is within the range of 0 to 30 days. • If a significant increase in credit risk ('SICR') since initial recognition is identified, it is moved to 'Stage 2' but is not yet deemed to be credit-impaired i.e. the default in	Our audit procedures in relation to expected credit losses were focused on obtaining sufficient appropriate audit evidence as to whether the expected credit losses recognised in the financial statements were reasonable and the related disclosures in the financial statements made by the management were adequate. These procedures included, but were not limited, to the following: ➢ tested the design and operating effectiveness of the key controls over calculation of the expected credit losses; ➢ obtained the list of loan assets for which moratorium has been given by the Company and related communication, pursuant to the regulatory announcement made by the RBI. ➢ considered the Company's accounting policies for estimation of expected credit loss on loan assets and assessing compliance with the policies in terms of Ind AS 109; ➢ tested the accuracy and completeness of inputs through substantive procedures and assessed the reasonableness of the assumptions used which included the following; • obtained an understanding of the model adopted by the Company for calculation of expected credit losses through the report of the management expert including how management calculated the expected credit losses and the appropriateness data on which the calculation is based and assessed the independence, objectivity and competence of such management expert ;

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Key audit matter	How our audit addressed the key audit matter
repayment is within the range of 31 to 90 days. • If the loan assets is credit-impaired, then it is then moved to 'Stage 3' i.e. the default in repayment is more than 90 days. The Expected Credit Loss (ECL) is measured at 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 loan assets. Significant management judgement in measuring ECL is required with respect to: • determining the criteria for SICR • factoring in future economic assumptions • techniques used to determine probability of default, loss given default and exposure at default. These parameters are derived from the model adopted by the Company for calculation of expected credit losses with the help of the management expert. Further, a significant degree of judgement has been applied by the management in respect of following matters: a) Staging of loan assets and estimation of behavioural life. b) Estimation of probability of default based on the credit rating of the borrowers c) Estimation of the expected realisable values of underlying collaterals; and d) Estimation of haircut to be used for computation of LGD (Loss Given Default) based on the type of underlying collaterals. Considering the significance of the above matter to the overall financial statements, and the degree of management's judgment including the regulatory announcement of moratorium facility for certain customers, this area required significant auditor attention to test such complex accounting estimates.	• evaluated the appropriateness of the Company's determination of significant increase in credit risk ('SICR') in accordance with the applicable accounting standard considering impact of COVID-19 and moratorium announced in the RBI Regulatory Package and the basis for classification of various exposures into various stages. For a sample of exposures, we also tested the appropriateness of the Company's categorization across various stages. • Assessed the critical assumptions including management's assessment of the impact of COVID-19 on these assumptions, moratorium facility availed by the customers and input data used in the estimation of expected credit loss models for specific key credit risk parameters, such as the transfer logic between stages, probability of default (PD) or loss given default (LGD); • on a test check basis, tested the reasonableness of the estimates of expected realizable values of underlying collaterals; ➢ obtained written representations from management on whether they believe significant assumptions used in calculation of expected credit losses are reasonable. ➢ assessed the appropriateness and adequacy of the related presentation and disclosures in note 39 "Financial risk management" to the accompanying financial statements in accordance with the applicable accounting standards.

WALKER CHANDIOK & CO LLP ★ CHARTERED ACCOUNTANTS ★

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>Therefore, we have identified this as a key audit matter for current year audit.

We also draw attention to Note 42 of the accompanying financial statements, regarding uncertainties involved and on the appropriateness of impairment losses provided on the above-mentioned loan assets as on 31 March 2020, as the same is fundamental to the understanding of the users of financial statements.</td><td></td></tr>
<tr><td colspan="2">Adoption of Indian Accounting Standards Framework

[Refer Note 2 for the accounting policy and Note 41 for the related disclosures]</td></tr>
<tr><td>The financial statements for the year ended 31 March 2020 are the first financial statements prepared in accordance with Indian Accounting Standards ('Ind AS') as notified by the Ministry of Corporate Affairs ('MCA') under Section 133 of the Act.

The Company has applied Ind AS 101, First-time Adoption of Indian Accounting Standards. Note 41 in the accompanying financial statements sets forth the reconciliation of balances from previous GAAP to the new Ind AS framework as at the transition date and the impact of restatement on the financial position of the comparative year due to such transition. Refer to Note 2 for significant accounting policies selected by the Company on transition to the Ind AS.

This change in the financial reporting framework required an end-to-end evaluation of the potential impact on each item included in the financial statements including presentation thereof, additional notes and disclosures which involved significant efforts by the management. This process also required the management to apply significant judgements to identify and elect appropriate accounting policies suitable for various transactions and balances relating to the operations of the Company including electing of available options for transition of balances as at transition date from the previous GAAP to the new GAAP.</td><td>Our key audit procedures in respect of the first time adoption of Ind-AS framework included, but were not limited to, the following:

a. obtained an understanding of management's processes and controls to identify the potential impact areas in the financial statements due to the adoption of Ind AS;

b. reviewed the implementation of exemptions availed and options chosen by the Company in accordance with the Ind AS 101;

c. assessed the appropriateness of the adjustments made to the opening balance sheet as at 01 April 2018;

d. assessed the appropriateness of the adjustments recorded in the financial statements as of and for the year-ended 31 March 2019 which were prepared in the previous GAAP;

e. evaluated the appropriateness of accounting policies selected by the Company on transition to Ind AS on the basis of our understanding of the Company, the nature and size of its operations and the requirements of the relevant accounting standards under the Ind AS framework;

f. evaluated the adequacy and appropriateness of the financial statement disclosures arising on adoption of the Ind AS to determine if these are in compliance with the requirements of the Ind AS; and

g. obtained written representations from management and those charged with</td></tr>
</table>

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Key audit matter	How our audit addressed the key audit matter
Considering the significance of the matter in the current year to the financial statements and the audit efforts required, this matter has been identified as a key audit matter for the current year audit.	governance on whether the financial statements comply with the Ind AS in all respects.

Information other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

7. The accompanying financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

8. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

9. Those Board of Directors is also responsible for overseeing the Company's financial reporting process.

WALKER CHANDIOK & CO LLP ★ CHARTERED ACCOUNTANTS ★

Auditor's Responsibilities for the Audit of the Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

11. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;

    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;

    - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

15. The Company had prepared separate sets of statutory financial statements for the year ended 31 March 2019 and 31 March 2018 in accordance with Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) on which we issued auditor's reports to the members of the Company dated 30 April 2019 and 09 May 2018 respectively. These financial statements have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have also been audited by us. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

16. Based on our audit, we report that the provisions of section 197 read with Schedule V to the Act are not applicable to the Company since the Company is not a public company as defined under section 2(71) of the Act. Accordingly, reporting under section 197(16) is not applicable.

17. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.

18. Further to our comments in Annexure A, as required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:

    a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying financial statements;

    b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

    c) the financial statements dealt with by this report are in agreement with the books of account;

    d) in our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;

    e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of section 164(2) of the Act;

    f) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 24 June 2020 as per Annexure B expressed unmodified opinion; and

    g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS

i. the Company, as detailed in note 43 to the standalone financial statements, has disclosed the impact of pending litigation on its financial position as at 31 March 2020;

ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2020;

iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2020; and

iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Nitin Kohli

Nitin Kohli
Partner
Membership No.: 507771
UDIN: 20507771AAAACG3266

Place: New Delhi
Date: 24 June 2020

Annexure A to the Independent Auditor's Report of even date to the members of Venus India Asset-Finance Private Limited, on the financial statements for the year ended 31 March 2020

Annexure A

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.

(c) The Company does not hold any immovable property (in the nature of 'fixed assets'). Accordingly, the provisions of clause 3(i)(c) of the Order are not applicable.

(ii) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.

(iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.

(iv) In our opinion, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.

(v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

(vii)(a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delays in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) The dues outstanding in respect of income-tax, sales-tax, service-tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

Statement of Disputed Dues

Name of the statute	Nature of dues	Amount (Rs. in lakhs)	Amount paid under Protest (Rs. in lakhs)	Period to which the amount relates	Forum where dispute is pending
Income tax Act,1961	Income tax	208.07	Nil	Assessment year 17-18	Assessing officer

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Annexure A to the Independent Auditor's Report of even date to the members of Venus India Asset-Finance Private Limited, on the financial statements for the year ended 31 March 2020

(viii) The Company has not defaulted in repayment of loans or borrowings to any financial institution or a bank or any dues to debenture-holders during the year. The Company has no loans or borrowings payable to government during the year.

(ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purposes for which the loans were obtained, though idle/surplus funds which were not required for immediate utilisation have been invested in liquid investments, payable on demand.

(x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.

(xi) The provisions of Section 197 of the Act read with Schedule V to the Act are not applicable to the Company since the Company is not a public company as defined under Section 2(71) of the Act. Accordingly, provisions of clause 3(xi) of the Order are not applicable.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

(xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

(xvi) The Company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and such registration has been obtained by the Company.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Nitin Kohli

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Nitin Kohli
Partner
Membership No.: 507771
UDIN: 20507771AAAACG3266

Place: New Delhi
Date: 24 June 2020

Annexure B to the Independent Auditor's Report of even date to the members of Venus India Asset- Finance Private Limited on the financial statements for the year ended 31 March 2020

Annexure B

Independent Auditor's Report on the internal financial controls with reference to the financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the financial statements of Venus India Asset- Finance Private Limited ('the Company') as at and for the year ended 31 March 2020, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Annexure B to the Independent Auditor's Report of even date to the members of Venus India Asset- Finance Private Limited on the financial statements for the year ended 31 March 2020

financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Nitin Kohli

Nitin Kohli
Partner
Membership No.: 507771
UDIN: 20507771AAAACG3266

Place: New Delhi
Date: 24 June 2020

Venus India Asset-Finance Private Limited
Balance Sheet as at 31 March 2020
(All amounts are in rupees lakhs, unless stated otherwise)

	Note	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Assets				
Financial assets				
Cash and cash equivalents	5	846.53	1,127.34	460.48
Bank balances other than cash and cash equivalents	6	1,517.00	1,512.80	1,117.72
Loans	7	23,191.25	28,097.24	24,758.62
Investments	8	4,252.20	4,073.04	1,551.30
Other financial assets	9	5.02	5.40	4.49
Total financial assets		**29,812.00**	**34,815.82**	**27,892.61**
Non-financial assets				
Current tax assets (net)	10	515.86	335.36	51.60
Deferred tax assets (net)	11	600.44	508.54	513.53
Property, plant and equipment	12	121.38	149.72	205.24
Other non-financial assets	13	42.73	38.54	38.91
Total non-financial assets		**1,280.41**	**1,032.16**	**809.28**
Total Assets		**31,092.41**	**35,847.98**	**28,701.89**
Liabilities and Equity				
Liabilities				
Financial liabilities				
Trade payables				
total outstanding dues of micro enterprises and small enterprises	14	0.64	-	-
total outstanding dues of creditors other than micro enterprises and small enterprises		105.94	46.73	56.80
Debt securities	15	501.86	899.63	806.90
Borrowings (other than debt securities)	16	10,641.47	16,194.20	8,929.10
Other financial liabilities	17	353.19	125.46	151.19
Total financial liabilities		**11,603.10**	**17,266.02**	**9,943.99**
Non-financial liabilities				
Provisions	18	119.60	62.06	50.81
Other non-financial liabilities	19	23.65	15.56	17.27
Total non-financial liabilities		**143.25**	**77.62**	**68.08**
Equity				
Equity share capital	20	9,761.98	9,761.98	10,180.28
Other equity	21	9,584.08	8,742.36	8,509.54
Total equity		**19,346.06**	**18,504.34**	**18,689.82**
Total Liabilities and Equity		**31,092.41**	**35,847.98**	**28,701.89**

The accompanying notes form an integral part of these financial statements
This is the balance sheet referred to in our report of even date

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's registration no. : 001076N/N500013

Nitin Kohli
Nitin Kohli
Partner
Membership No. 507771

WALKER CHANDIOK & CO LLP ★ CHARTERED ACCOUNTANTS ★

Place : New Delhi
Date : 24 June 2020

For and on behalf of the Board of Directors
Venus India Asset-Finance Private Limited

Gaurav Goel
Director
DIN No. 00076111

Nalin Kumar Gupta
Director
DIN No. 01670036

Anurag Garg
Chief Financial Officer
PAN No. AATPG8459J

Indu Singh
Company Secretary
Membership No. A39681

VENUS INDIA ASSET-FINANCE PVT. LTD. New Delhi ★

Place : Noida
Date : 24 June 2020

Place : Noida
Date : 24 June 2020

Venus India Asset-Finance Private Limited
Statement of Profit and Loss for the year ended 31 March 2020
(All amounts are in rupees lakhs, unless stated otherwise)

	Note	For the year ended 31 March 2020	For the year ended 31 March 2019
Revenue from operations			
Interest income	22	4,544.66	5,103.97
Net gain on fair value changes	23	19.87	12.13
Total revenue from operations		**4,564.53**	**5,116.10**
Expenses			
Finance costs	24	1,748.05	1,636.20
Impairment on financial instruments	25	647.31	235.30
Employee benefits expenses	26	385.08	400.13
Depreciation expense	27	85.64	86.92
Other expenses	28	485.34	577.05
Total expenses		**3,351.42**	**2,935.60**
Profit before tax		**1,213.11**	**2,180.50**
Tax expenses	29		
Current tax		447.60	616.16
Deferred tax (credit)/ charge		(87.95)	2.90
Total tax expense		**359.65**	**619.06**
Profit for the year		**853.46**	**1,561.44**
Other comprehensive (expense)/income (net of tax)			
Items that will not be reclassified to profit or loss			
Remeasurement (losses)/gains on defined benefit plans		(15.70)	7.17
Income tax relating to items that will not be reclassified to profit or loss		3.95	(2.09)
Other comprehensive (expense)/ income		**(11.75)**	**5.08**
Total comprehensive income for the year		**841.71**	**1,566.52**
Earnings per equity share:	31		
Basic (Rs.)		**0.87**	**1.54**
Diluted (Rs)		**0.87**	**1.54**
Face value per equity share (Rs.)		**10.00**	**10.00**

The accompanying notes form an integral part of these financial statements
This is the statement of profit and loss referred to in our report of even date

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's registration no. : 001076N/N500013

Nitin Kohli

Nitin Kohli
Partner
Membership No. 507771

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Place : New Delhi
Date : 24 June 2020

For and on behalf of the Board of Directors
Venus India Asset-Finance Private Limited

Gaurav Goel
Director
DIN No. 00076111

Nalin Kumar Gupta
Director
DIN No. 01670036

VENUS INDIA ASSET-FINANCE PVT. LTD. New Delhi *

Anurag Garg
Chief Financial Officer
PAN No. AATPG8459J

Indu Singh
Company Secretary
Membership No. A39681

Place : Noida
Date : 24 June 2020

Place : Noida
Date : 24 June 2020

Venus India Asset-Finance Private Limited
Statement of Changes in Equity for the year ended 31 March 2020
(All amounts are in rupees lakhs, unless stated otherwise)

A Equity share capital

Particulars	Balance as at 1 April 2018	Changes during the year	Balance as at 31 March 2019	Changes during the year	Balance as at 31 March 2020
Equity share capital	10,180.28	(418.30)	9,761.98	-	9,761.98
	10,180.28	(418.30)	9,761.98	-	9,761.98

B Other equity

Particulars	Items of other comprehensive income(OCI)	Reserves and Surplus				Total
	Re-measurements of net defined benefit plans	Statutory reserve	Securities premium	Capital redemption reserve	Retained earnings	
Balance as at 1 April 2018	-	1,063.67	4,195.18	-	3,250.69	8,509.54
Profit for the year	-	-	-	-	1,561.44	1,561.44
Other comprehensive income for the year before income tax	7.17	-	-	-	-	7.17
Transfer to statutory reserve u/s 45-IC of RBI Act, 1934	-	304.61	-	-	(304.61)	-
Transfer to capital redemption reserve on account of buyback of equity shares	-	-	-	418.30	(418.30)	-
Utilisation for buy back of shares	-	-	(1,081.71)	-	-	(1,081.71)
Tax impact on buy back of shares	-	-	(251.99)	-	-	(251.99)
Less: Income tax on other comprehensive income	(2.09)	-	-	-	-	(2.09)
Balance as at 31 March 2019	5.08	1,368.28	2,861.48	418.30	4,089.22	8,742.36
Balance as at 1 April 2019	5.08	1,368.28	2,861.48	418.30	4,089.22	8,742.36
Profit for the year	-	-	-	-	853.46	853.46
Other comprehensive loss for the year before income tax	(15.69)	-	-	-	-	(15.69)
Transfer to statutory reserve u/s 45-IC of RBI Act, 1934	-	170.69	-	-	(170.69)	-
Less: Income tax on other comprehensive income	3.95	-	-	-	-	3.95
Balance as at 31 March 2020	(6.66)	1,538.97	2,861.48	418.30	4,771.99	9,584.08

The accompanying notes form an integral part of these financial statements
This is the Statement of Changes in Equity referred to in our report of even date

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's registration no. : 001076N/N500013

Nitin Kohli
Partner
Membership No. 507771

Place : New Delhi
Date : 24 June 2020

For and on behalf of the Board of Directors
Venus India Asset-Finance Private Limited

Gaurav Goel
Director
DIN No. 00076111

Nalin Kumar Gupta
Director
DIN No. 01570036

Anurag Garg
Chief Financial Officer
PAN No. AATPG8459J

Indu Singh
Company Secretary
Membership No. A39881

Place : Noida
Date : 24 June 2020

Place : Noida
Date : 24 June 2020

Venus India Asset-Finance Private Limited
Statement of Cash Flow for the year ended 31 March 2020
(All amounts are in rupees lakhs, unless stated otherwise)

		For the year ended 31 March 2020	For the year ended 31 March 2019
A.	**Cash flow from operating activities**		
	Net profit before tax	1,213.11	2,180.50
	Adjustments for :		
	Effective interest rate adjustment for financial assets	(63.29)	27.40
	Effective interest rate adjustment for borrowings	11.59	10.92
	Impairment on financial instruments	647.31	235.30
	Asset written off	0.23	-
	Depreciation expense	85.64	86.92
	Unrealised gain on fair value of mutual funds	(2.99)	1.72
	Gain on sale of mutual funds	(16.88)	(13.85)
	Interest on lease liability	5.91	8.78
	Operating profit before working capital changes	**1,880.63**	**2,537.69**
	Movement in working capital:		
	Loans	5,079.84	(3,639.51)
	Other financial assets	0.90	(0.42)
	Other non-financial assets	(5.10)	0.37
	Trade payables	59.85	(10.07)
	Other financial liabilities	227.73	(25.73)
	Other non-financial liabilities	8.09	(1.71)
	Provisions	41.84	18.42
	Interest accrued on debt securities and borrowings	(58.76)	101.62
	Investment in debt securities	(914.56)	(2,528.19)
	Interest accrued on fixed deposits	(41.05)	(7.67)
		6,279.41	**(3,555.20)**
	Net income tax paid	(628.10)	(899.92)
	Net cash generated from/(used in) operating activities	**5,651.31**	**(4,455.12)**
B	**Cash flow from investing activities :**		
	Purchase of mutual funds	(3,055.00)	(2,708.46)
	Proceeds from sale of mutual fund	3,071.88	2,764.74
	Purchase of property and equipment	(3.51)	(22.53)
	Movement in other bank deposits	36.85	(387.41)
	Net cash generated (used in) investing activities	**50.22**	**(353.66)**
C	**Cash flow from financing activities* :**		
	Buy-back of share capital	-	(1,752.00)
	Repayment of debt securities	(325.00)	-
	Proceeds from borrowings other than debt securities	2,700.00	8,690.64
	Repayment of borrowings other than debt securities	(8,297.94)	(1,405.58)
	Payment of lease liability	(59.40)	(57.42)
	Net cash (used in)/ generated from financing activities	**(5,982.34)**	**5,475.64**
D	**Net (decrease)/ increase in cash and cash equivalents (A+B+C)**	(280.81)	666.86
E	**Cash and cash equivalents at the beginning of the year**	1,127.34	460.48
F	**Cash and cash equivalents at the end of the year (D + E)**	**846.53**	**1,127.34**

Notes:

	For the year ended 31 March 2020	For the year ended 31 March 2019
Cash and cash equivalents as at the end of the year include:		
Cash on hand	1.41	1.11
Balances with scheduled banks:		
In current accounts	845.12	1,126.23
Cash and cash equivalents as at the end of the year (refer note 5)#	**846.53**	**1,127.34**

 # Refer note 6 for restricted cash and cash equivalents and other bank balances.
** Refer note 16 for reconciliation of liabilities arising from financing activities*

The accompanying notes form an integral part of these financial statements
This is the Cash Flow Statement referred to in our report of even date

For Walker Chandiok & Co LLP
Chartered Accountants

WALKER CHANDIOK & CO LLP ★ CHARTERED ACCOUNTANTS

Nitin Kohli

Nitin Kohli
Partner
Membership No. 507771

Place : New Delhi
Date : 24 June 2020

For and on behalf of the Board of Directors
Venus India Asset-Finance Private Limited

Gaurav Goel
Director
DIN No. 00076111

Anurag Garg
Chief Financial Officer
PAN No. AATPG6459J

Place : Noida
Date : 24 June 2020

Nalin Kumar Gupta
Director
DIN No. 01670036

Indu Singh
Company Secretary
Membership No. A39681

Place : Noida
Date : 24 June 2020

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Venus India Asset Finance Private Limited
Summary of significant accounting policies and other explanatory notes for the year ended 31 March 2020

1. Company Overview

Venus India Asset-Finance Private Limited ("the Company") was incorporated on 2 September 1996. The name of the Company was changed to Venus India Asset-Finance Private Limited and a fresh Certificate of Incorporation was obtained dated 12 February 2014. The Company is registered under section 45-IA of the Reserve Bank of India Act, 1934 to carry on business as a Non-Banking Financial Institution without accepting public deposits vide Certificate of Registration no. B-14.02098 dated 27 October 2000. Consequent to change in name of the Company, a new Certificate of Registration No. B-14.02098 dated 4 March 2014 has been issued by the RBI. The Company is engaged in providing short and medium term loans as general purpose finance to borrowers.
The Company is a subsidiary of VISFF No. 1 Limited.

2. Basis of Preparation

(i) Statement of compliance with Indian Accounting Standards (Ind AS)

These financial statements ("the Financial Statements") have been prepared in accordance with the Indian Accounting Standards ('Ind AS') as notified by Ministry of Corporate Affairs ('MCA') under Section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act. The Company has uniformly applied the accounting policies for all the periods presented in these financial statements.

The financial statements for the year ended 31 March 2020 are the first financial statements which has been prepared in accordance with Ind AS and other applicable guidelines issued by the Reserve Bank of India ('RBI').

The financial statements upto and for the year ended 31 March 2019 were prepared in accordance with the accounting standard notified under Section 133 of the Act, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP) and other applicable guidelines issued by the RBI, which have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS. In preparing these financial statements, the Comapny's opening balance sheet was prepared as at 01 April 2018, the Company's date of transition to Ind AS.

As these are the Company's first financial statements prepared in accordance with Ind AS, the Company has applied, First-time Adoption Standard (Ind AS 101) of Indian Accounting Standards. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note 41.

(ii) Historical cost convention

The financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India. Further, the financial statements have been prepared on historical cost basis except for certain financial assets and financial liabilities which are measured at fair values as explained in relevant accounting policies.

3. Summary of significant accounting policies

The financial statements have been prepared using the significant accounting policies and measurement bases summarised as below. These policies are applied consistently for all the periods presented in the financial statements, except where the Company has applied certain accounting policies and exemptions upon transition to Ind AS.

a. Property and Equipment

Recognition and initial measurement

Property and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits attributable to such subsequent cost associated with the item will flow to the Company. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

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Subsequent measurement (depreciation method and useful lives)

Property and equipment are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation on property, plant and equipment is provided on the written-down method over the useful life of the assets as prescribed in Schedule II of the Companies Act, 2013. The useful lives determined by the management are as follows:

Asset class	Useful life (in years)
Furniture and fixtures	10
Computers	3
Vehicles	8
Office equipment	2 to 5

Depreciation is calculated on pro rata basis from the date on which the asset is ready for use or till the date the asset is sold or disposed.

The residual values, useful lives and method of depreciation are reviewed at the end of each financial year.

De-recognition

An item of property, plant and equipment and any significant part initially recognised is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in the statement of profit and loss, when the asset is derecognised.

Transition to Ind AS

The Company has elected to measure all its property, plant and equipment at the previous GAAP carrying amount as its deemed cost on the date of transition of Ind AS i.e. 1 April 2018.

b. Revenue recognition

Interest and processing fee income on loans

Interest and processing fee income is recorded on accrual basis using the effective interest rate (EIR) method. Additional interest/overdue interest/ penal charges/ pre-payment charges, if any, are recognised only when it is reasonable certain that the ultimate collection will be made.

Interest on investments and deposits

Interest income is recorded on accrual basis using the effective interest rate (EIR) method.

Miscellaneous income

All other income is recognized on an accrual basis, when there is no uncertainty in the ultimate realization/ collection.

c. Taxation

Tax expense recognized in Statement of Profit and Loss comprises the sum of deferred tax and current tax except the ones recognised in other comprehensive income or directly in equity.

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Current tax is determined as the tax payable in respect of taxable income for the year and is computed in accordance with relevant tax regulations. Current income tax relating to items recognised outside profit and loss is recognised outside profit and loss (either in other comprehensive income or in equity).

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognized amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax is recognised in respect of temporary differences between carrying amount of assets and liabilities for financial reporting purposes and corresponding amount used for taxation purposes. Deferred tax assets are recognised on unused tax loss, unused tax credits and deductible temporary differences to the extent it is probable that the future taxable profits will be available against which they can be used. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously. Deferred tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit or loss (either in other comprehensive income or in equity).

d. Employee benefits

Short-term employee benefits

Short-term employee benefits comprise of employee costs such as salaries, bonus etc. is recognized on the basis of the amount paid or payable for the year during which services are rendered by the employee.

Defined contribution plan

The Company has defined contribution plan namely provident fund and pension fund. The contributions made by the Company towards these plans are charged to the Statement of Profit and Loss.

Defined benefit plan

The Company has unfunded gratuity as defined benefit plan where the amount that an employee will receive on retirement is defined by reference to the employee's length of service and last drawn salary. The liability recognised in the balance sheet for defined benefit plans is the present value of the defined benefit obligation (DBO) at the reporting date. Management estimates the DBO annually with the assistance of independent actuaries. Actuarial gains/losses resulting from re-measurements of the liability are included in other comprehensive income.

Other long-term employee benefits:

The Company also provides the benefit of compensated absences to its employees which are in the nature of long-term employee benefit plan. Liability in respect of compensated absences becoming due and expected to availed after one year from the Balance Sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method as on the reporting date. Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged to Statement of Profit and Loss in the year in which such gains or losses are determined.

e. Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. Recoverable amount is higher of an asset's net selling price and its value in use. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the reporting date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

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f. Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Loan and investment in deb-securities jointly read as loan assets

The Company follows a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarized below:

• Stage 1 (1-30 days) includes loan assets that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date.

• Stage 2 (31-60 days) includes loan assets that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment.

• Stage 3 (more than 90 days) includes loan assets that have objective evidence of impairment at the reporting date.

The Expected Credit Loss (ECL) is measured at 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 loan assets. ECL is the product of the Probability of Default, Exposure at Default and Loss Given Default, defined as follows:

Probability of Default (PD)

The PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months (12 months PD), or over the remaining lifetime (Lifetime PD) of the obligation.

Loss Given Default (LGD)

LGD represents the Company's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and preference of claim and availability of collateral or other credit support.

Exposure at Default (EAD)

EAD is based on the amounts the Company expects to be owed at the time of default. Forward-looking economic information (including management overlay) is included in determining the 12-month and lifetime PD, EAD and LGD. The assumptions underlying the expected credit loss are monitored and reviewed on an ongoing basis.

Other financial assets

In respect of its other financial assets, the Company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Company uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Company compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

Write-offs

Financial assets are written off either partially or in their entirety to the extent that there is no realistic prospect of recovery. Any subsequent recoveries are credited to impairment on financial instrument on statement of profit and loss.

g. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term highly liquid investments (original maturity less than three months) that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

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h. Provisions, contingent assets and contingent liabilities

Provisions are recognised only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.
Contingent liability is disclosed for:

• Possible obligations which will be confirmed only by future events not wholly within the control of the Company or

• Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are neither recognised nor disclosed except when realisation of income is virtually certain, related asset is disclosed.

i. Leases

Ind AS 116- Lease

On March 30, 2019, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 which notified Ind AS 116 - Leases. The amendment rules are effective from reporting periods beginning on or after April 01, 2019. This standard replaces current guidance under Ind AS 17.
Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model.

Company as a Lessee:

Accounting at the time of transition to Ind AS

The Company adopted Ind AS 116 using the modified retrospective method of adoption with the date of initial application of April 1, 2018 (i.e. Ind AS transition date applicable to the Company).

Under this approach, the lease liability is measured at the present value of remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of transition to Ind AS. The right of use assets is measured at an amount equal to lease liability adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the Balance Sheet immediately before the date of transition to Ind AS.

The Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option ('short-term leases'), and lease contracts for which the underlying asset is of low value ('low-value assets').

Accounting post transition to Ind AS

At inception of a contract, Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease, a lease if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re measurements of the lease liability.

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The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The lease liability is measured at amortised cost using the effective interest method. It is re measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is re measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property and equipment' (see Note 12) and lease liabilities in 'borrowings (other than debt securities)' in the balance sheet. (see Note 16).

j. Financial Instruments

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition and measurement

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities is described below.

Non-derivative financial assets

Subsequent measurement

i. Financial assets carried at amortised cost – a financial asset is measured at the amortised cost if both the following conditions are met:

• The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
• Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

ii. Investments in mutual funds – Investments in mutual funds are measured at fair value through profit and loss (FVTPL).

De-recognition of financial assets

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. Further, if the Company has not retained control, it shall also derecognise the financial asset and recognise separately as assets or liabilities any rights and obligations created or retained in the transfer.

Non-derivative financial liabilities

Subsequent measurement

Subsequent to initial recognition, all non-derivative financial liabilities are measured at amortised cost using the effective interest method.

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De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

k. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

l. Foreign currency

Functional and presentation currency

Items included in the financial statement of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements have been prepared and presented in Indian Rupees (INR), which is the Company's functional and presentation currency.

Transaction and balances

Foreign currency transactions are translated into the functional currency, by applying the exchange rates on the foreign currency amounts at the date of the transaction. Foreign currency monetary items outstanding at the balance sheet date are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction. Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognised in the Statement of Profit and Loss in the year in which they arise.

4. Significant management judgment in applying accounting policies and estimation of uncertainty

The preparation of the Company's financial statements requires management to make judgments, estimates, and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the related disclosures. Actual results may differ from these estimates.

Significant management judgments

Recognition of deferred tax assets – The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized.

Business model assessment

The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured

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at amortised cost that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and accordingly prospective change to the classification of those assets are made.

Evaluation of indicators for impairment of assets – The evaluation of the applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

Expected Credit Loss ('ECL') – The measurement of an expected credit loss allowance for financial assets measured at amortized cost requires the use of complex models and significant assumptions about future economic conditions and credit behavior (e.g., likelihood of customers defaulting and resulting losses). The Company makes significant judgments with regard to the following while assessing expected credit loss:

- Determining criteria for a significant increase in credit risk;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and
- Establishing groups of similar financial assets to measure ECL.
- Estimating the probability of default and loss given default (estimates of recoverable amounts in case of default)

Significant estimates

Useful lives of depreciable/amortizable assets – Management reviews its estimate of the useful lives of depreciable/amortizable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of assets.

Defined benefit obligation (DBO) – Management's estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Fair value measurements – Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.

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Venus India Asset-Finance Private Limited
Summary of significant accounting policies and other explanatory notes for the year ended 31 March 2020
(All amounts are in rupees lakhs, unless stated otherwise)

	Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
5	**Cash and cash equivalents**			
	Cash on hand	1.41	1.11	0.90
	Balance with banks (of the nature of cash and cash equivalents)			
	- Balance with banks in current accounts	845.12	1,126.23	459.58
		846.53	**1,127.34**	**460.48**

	Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
6	**Bank balances other than cash and cash equivalents**			
	Bank deposits with original maturity of more than 3 months	1,517.00	1,512.80	1,117.72
		1,517.00	1,512.80	1,117.72

The lien details of deposits (excluding interest accrued) shown under note 6 are given below:

a. Deposits amounting to Rs. 1,447.33 lakhs (31 March 2019: Rs. 1403.24 lakhs, 01 April 2018: Rs. 1040.79 lakhs) are under lien against borrowing from banks and financial institution.

	Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
7	**Loans**			
	At amortised cost			
	Secured			
	- Term loans*	24,489.25	29,497.02	26,190.01
	- Staff loans	24.80	3.80	5.78
	Total - gross	**24,514.05**	**29,500.82**	**26,195.79**
	Less: Impairment loss allowance	1,322.80	1,403.58	1,437.17
	Total - net	**23,191.25**	**28,097.24**	**24,758.62**
	(a) Secured by shares	2,491.38	6,346.21	9,629.93
	(b) Secured by tangible assets	9,038.71	12,642.47	13,716.32
	(c) Others (receivables, cash collateral and promissory note)	12,959.16	10,508.35	2,843.76
	(d) Unsecured	24.80	3.80	5.78
	Total - gross	**24,514.05**	**29,500.82**	**26,195.79**
	Less: Impairment loss allowance	1,322.80	1,403.58	1,437.17
	Total - net	**23,191.25**	**28,097.24**	**24,758.62**
	Loans in India**			
	(i) Public sector	-	-	-
	(ii) Others	24,514.05	29,500.82	26,195.79
	Total - gross	**24,514.05**	**29,500.82**	**26,195.79**
	Less: Impairment loss allowance	1,322.80	1,403.58	1,437.17
	Total - net	**23,191.25**	**28,097.24**	**24,758.62**

* Includes interest accrued
** The Company does not hold any loans outside India

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(All amounts are in rupees lakhs, unless stated otherwise)

	Particulars	As at 31 March 2020			As at 31 March 2019			As at 1 April 2018		
		At amortised cost	At fair value through profit and loss (FVTPL)	Total	At amortised cost	At fair value through profit and loss (FVTPL)	Total	At amortised cost	At fair value through profit and loss (FVTPL)	Total
8	**Investments**									
	Debt securities	4,973.46	-	4,973.46	4,069.20	-	4,069.20	1,552.49	-	1,552.49
	Mutual funds	-	52.20	52.20	-	49.21	49.21	-	93.36	93.36
	Total gross (A)	**4,973.46**	**52.20**	**5,025.66**	**4,069.20**	**49.21**	**4,118.41**	**1,552.49**	**93.36**	**1,645.85**
	Investments outside India	-	-	-	-	-	-	-	-	-
	Investments in India	4,973.46	52.20	5,025.66	4,069.20	49.21	4,118.41	1,552.49	93.36	1,645.85
	Total (B)	**4,973.46**	**52.20**	**5,025.66**	**4,069.20**	**49.21**	**4,118.41**	**1,552.49**	**93.36**	**1,645.85**
	Less: Allowance for impairment loss (C)	773.46	-	773.46	45.37	-	45.37	94.55	-	94.55
	Total net D= (A)-(C)	**4,200.00**	**52.20**	**4,252.20**	**4,023.83**	**49.21**	**4,073.04**	**1,457.94**	**93.36**	**1,551.30**

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(All amounts are in rupees lakhs, unless stated otherwise)

	Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
9	**Other financial assets**			
	Security deposits	5.02	5.40	4.49
		5.02	**5.40**	**4.49**

	Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
10	**Current tax assets (net)**			
	Advance income tax and tax deducted at source (net of provision)	515.86	335.36	51.60
		515.86	**335.36**	**51.60**

	Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
11	**Deferred tax assets (net)**			
	Deferred tax assets arising on account of:			
	- Timing difference on depreciation of property,plant and equipment (excluding impact of right of use under a lease)	11.18	10.36	7.17
	- Provision for employees benefits	30.10	18.07	14.80
	- Impairment on financial instruments	527.61	421.93	446.03
	- Financial instruments measured at amortised cost	31.83	57.55	46.25
	- Lease liability (including impact of right of use under a lease)	0.66	0.85	-
	Total deferred tax assets	**601.38**	**508.76**	**514.25**
	Deferred tax liability arising on account of:			
	- Fair value adjustment on investment in mutual funds	0.94	0.22	0.72
	Total deferred tax liability	**0.94**	**0.22**	**0.72**
	Deferred tax assets (net)	**600.44**	**508.54**	**513.53**

Movement in deferred tax assets (net)

Particulars	As at 1 April 2019	Recognised in profit and loss	Recognised in other comprehensive income	As at 31 March 2020
Deferred tax assets arising on account of:				
- Timing difference on depreciation of property,plant and equipment (excluding impact of right of use under a lease)	10.36	0.82	-	11.18
- Provision for employees benefits	18.07	8.06	(3.95)	30.10
- Impairment on financial instruments	421.93	105.68	-	527.61
- Financial instruments measured at amortised cost	57.55	(25.72)	-	31.83
- Lease liability (including impact of right of use under a lease)	0.85	(0.19)	-	0.66
Deferred tax liabilities arising on account of:				
- Fair value adjustment on investment in mutual funds	0.22	0.72	-	0.94
Total	**508.54**	**87.96**	**(3.95)**	**600.44**

Particulars	As at 1 April 2018	Recognised in profit and loss	Recognised in other comprehensive income	As at 31 March 2019
Deferred tax assets arising on account of:				
- Timing difference on depreciation of property,plant and equipment (excluding impact of right of use under a lease)	7.17	3.19	-	10.36
- Provision for employees benefits	14.80	5.36	2.09	18.07
- Impairment on financial instruments	446.03	(24.10)	-	421.93
- Financial instruments measured at amortised cost	46.25	11.30	-	57.55
- Lease liability (including impact of right of use under a lease)	-	0.85	-	0.85
Deferred tax liabilities arising on account of:				
- Fair value adjustment on investment in mutual funds	0.72	(0.50)	-	0.22
Total	**513.53**	**(2.90)**	**2.09**	**508.54**

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(All amounts are in rupees lakhs, unless stated otherwise)

12 Property, plant and equipment

Particulars	Right of use under a lease*	Furniture and fixtures	Computers	Vehicles	Office equipments	Total
Gross block						
Balance as at 1 April 2018 (refer note (i))	102.28	2.20	1.14	97.75	1.87	205.24
Additions during the year	8.87	-	19.33	-	3.20	31.40
Disposals / adjustments	-	-	-	-	-	-
Balance as at 31 March 2019	111.15	2.20	20.47	97.75	5.07	236.64
Additions during the year	54.02	-	0.93	-	2.58	57.53
Disposals / adjustments	-	-	-	-	(0.86)	(0.86)
Balance as at 31 March 2020	165.17	2.20	21.40	97.75	6.79	293.31
Accumulated depreciation						
Balance as at 1 April 2018 (refer note (i))	-	-	-	-	-	-
Depreciation charge for the year	52.00	0.58	2.39	30.57	1.38	86.92
Balance as at 31 March 2019	52.00	0.58	2.39	30.57	1.38	86.92
Depreciation charge for the year	53.65	0.42	7.79	21.06	2.72	85.64
Disposals / adjustments	-	-	-	-	(0.63)	(0.63)
Balance as at 31 March 2020	105.65	1.00	10.18	51.63	3.47	171.93
Net block						
Balance as at 1 April 2018(refer note (i))	102.28	2.20	1.14	97.75	1.87	205.24
Balance as at 31 March 2019	59.15	1.62	18.08	67.18	3.69	149.72
Balance as at 31 March 2020	59.52	1.20	11.22	46.12	3.32	121.38

Note (i): Deemed cost of property, plant and equipment - reconciliation of gross block and net carrying amount

Particulars	Furniture and fixtures	Computers	Vehicles	Office equipments	Total
Gross block as at 01 April 2018*	3.18	5.53	136.03	4.16	148.90
Accumulated depreciation as at 01 April 2018	0.98	4.39	38.28	2.29	45.94
Carrying amount as at 01 April 2018	2.20	1.14	97.75	1.87	102.96

* The Company has adopted Ind AS 116 w.e.f. April 1, 2018 where the Company has recognised right-of-use asset and related lease liability in connection with all former operating leases except for those identified as low-value or having a remaining lease term of less than 12 months from the date of initial application. Accordingly, right to use asset under lease has not been considered for providing the deemed cost of property, plant and equipment - reconciliation of gross block and net carrying amount.

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	Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
13	**Other non-financial assets**			
	Prepaid expenses	11.14	25.60	10.52
	Goods and service tax receivable	30.75	12.21	-
	Unamortised fee on undisbursed borrowings	-	-	27.72
	Advance to vendors	0.84	0.73	0.67
		42.73	38.54	38.91

	Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
14	**Trade payables**			
	Total outstanding dues of micro enterprises and small enterprises (refer note 31)	0.64	-	-
	Total outstanding dues of creditors other than micro enterprises and small enterprises	105.94	46.73	56.80
		106.58	46.73	56.80

	Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
15	**Debt securities (at amortised cost)**			
	Secured			
	Non-convertible debentures	501.86	899.63	806.90
		501.86	899.63	806.90
	Debt securities in India	-	-	-
	Debt securities outside India	501.86	899.63	806.90
		501.86	899.63	806.90

(a) The 325 units (31 March 2019: 650 units; 1 April 2018: 650 units) of non-convertible debentures (NCDs) are secured by first and exclusive charge over the monies raised by issue of the NCDs and all assets and receivables procured with such monies. The NCDs carry interest at 12% per annum, on compounding basis, payable at the time of redemption. The NCDs shall be redeemed on 31 March 2021 at face value along with accrued interest.

	Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
16	**Borrowings (other than debt securities)**			
	At amortised cost			
	Term loans - secured			
	- From banks	4,334.78	6,337.49	3,592.22
	- From financial institution	1,619.85	2,310.30	-
	Loans repayable on demand			
	- From banks	4,625.44	7,484.63	5,235.33
	Lease liability	61.40	61.78	101.55
		10,641.47	16,194.20	8,929.10
	Borrowings in India	10,641.47	16,194.20	8,929.10
	Borrowings outside India	-	-	-
		10,641.47	16,194.20	8,929.10

i) Term loan from bank includes (all the below mentioned repayments disclosed as per the contractual maturities of borrowings (other than debt securities) at gross carrying value):
(a) Term loan of Rs. 69.69 lakhs from HDFC Bank is secured against vehicle and is re-payable in 84 equal monthly installments of Rs. 1.10 lakhs each. The loan carries interest at the rate of 8.30% per annum and is payable monthly. Total loan outstanding as on 31 March 2020 is Rs. 45.57 lakhs (31 March 2019: Rs. 54.58 lakhs ; 1 April 2018: Rs. 62.87 lakhs)

(b) Term loan of Rs. 29.00 lakhs from HDFC Bank is secured against vehicle and is re-payable in 60 equal monthly instalments of Rs. 0.59 lakhs each. The loan carries interest at the rate of 8.01% per annum and is payable monthly. Total loan outstanding as on 31 March 2020 is Rs. 15.46 lakhs (31 March 2019: Rs. 21.04 lakhs ; 1 April 2018: Rs. 26.18 lakhs)

(c) Term loan of Rs. 3,000.00 lakhs from State Bank of India is secured against exclusive charge by way of hypothecation of book debts/receivables (performing) to the extent of 133.33% (minimum) of the loan amount and 15% cash collateral in the form of Fixed Deposit and is repayable in 14 quarterly installment to be started from June 2018. The loan carries interest rate from range 10% to 10.5% per annum and is payable monthly. Total loan outstanding as on 31 March 2020 is Rs. 1,280.00 lakhs (31 March 2019: Rs. 2,140.00 lakhs; 1 April 2018: Rs 3,000.00 lakhs)

(d) Term loan of Rs. 2,500.00 lakhs from UCO Bank is secured against exclusive charge by way of hypothecation of standard book debts created out of bank finance to be maintained at a minimum of 133% of the bank loan outstanding and 15% cash collateral in the form of Fixed Deposit and is repayable in 14 quarterly installment to be started from October 2018. The loan carries interest at the rate of 10.5% per annum and is payable monthly. Total loan outstanding as on 31 March 2020 is Rs. 1,428.57 lakhs (31 March 2019: Rs. 2,142.86 lakhs; 1 April 2018: Rs. 500.00 lakhs)

(e) Term loan of Rs 2,000.00 lakhs from State Bank of India is secured against exclusive charge by way of hypothecation of book debts/receivables (performing) to the extent of 133.33% (minimum) of the loan amount and 15% cash collateral in the form of Fixed Deposit and is repayable in 14 quarterly installment to be started from August 2019. The loan carries interest rate from range 10% to 10.5% per annum and is payable monthly. Total loan outstanding as on 31 March 2020 is Rs. 1,571.00 lakhs (31 March 2019: Rs. 2,000.00 lakhs ; 1 April 2018 Rs. Nil)

ii) Term loan from financial institution includes (all the below mentioned repayments disclosed as per the contractual maturities of borrowings (other than debt securities) at gross carrying value):
(a) Term loan of Rs. 2,500.00 lakhs from Tourism Finance Corporation of India Limited is secured against exclusive charge by way of hypothecation on specified receivables of standard non-SMA assets finance by Venus India Asset Finance Private Limited to the extent of 1.33 times of loan amount and is repayable in 12 quarterly installment of Rs. 175.00 lakhs each and 2 quarterly installments of Rs. 200.00 lakhs each to be started from April 2019. The loan carries interest at the rate of 11.80% to 12.5% per annum and is payable monthly. Total loan outstanding as on 31 March 2020 is Rs. 1,625.00 lakhs (31 March 2018: Rs. 2,325.00 lakhs; 1 April 2018 Rs. Nil)

iii) Loan repayable on demand includes:
(a) Cash Credit Facility of Rs. 1,877.05 lakhs (31 March 2019: Rs. 7,484.63 lakhs; 1 April 2108: Rs. 5,239.15 lakhs) from Punjab National Bank is secured by way of exclusive charge over receivables of 1.33 times of the cash credit facility on the non NPA accounts of the Company's loan book by way of assignment/hypothecation and collateral security in the form of Fixed Deposit to the extent of interest of three month of the cash credit limits. The cash credit carries interest rate @ 10.30% per annum, reset on annual basis and payable on monthly basis

(b) Term Loan of Rs. 2,700.00 lakhs (31 March 2019: Nil; 1 April 2018: Nil) from Centrum Financial Services Limited. The loan carries interest at the rate 12.75% per annum on quatery basis and principal is repayable by 31 January 2021 and is secured against demand promissory note.

(c) Term Loan of Rs.nil (31 March 2019: Nil; 1 April 2018: Rs. 2,000.00 lakhs) from AU Small Finance Bank is secured by way of exclusive hypothecation of present and future loan receivables (net of financial charge, NPA and other charges etc.) to the extent of 125% for the loan. The loan carries interest at the rate 10.25% per annum payable on monthly basis. The said loan is repaid during the ended 31 March 2019.

iv) Reconciliation of liabilities arising from financing activities

Particulars	Debt securities	Borrowings (Other than debt securities)	Lease liability	Total
As at 01 April 2018	806.90	8,827.55	101.55	9,736.00
Cash flows:				
Net proceeds from debt securities/borrowings	-	8,690.64	-	8,690.64
Repayment of debt securities/borrowings	-	(1,405.58)	-	(1,405.58)
-Unamortised fees	-	-	-	-
Payment of lease liability	-	-	(57.42)	(57.42)
Interest accrued	92.73	8.89		101.62
Non-cash:				
Interest on lease liability	-	-	8.77	8.77
Increase in lease liability	-	-	8.87	8.87
Impact of borrowings measured at amortised cost				
-Effective interest rate adjustment	-	10.93	-	10.93
As at 31 March 2019	899.63	16,132.43	61.77	17,093.83
Cash flows:				
Net proceeds from debt securities and other borrowings	-	2,700.00	-	2,700.00
Repayment of debt securities/borrowings	(325.00)	(8,297.94)		(8,622.94)
-Unamortised fees	-	-	-	-
Payment of rentals	-	-	(59.40)	(59.40)
Interest accrued	(72.77)	34.01	-	(38.76)
Non-cash:				
Interest on lease liability	-	-	5.91	5.91
Increase in lease liability	-	-	53.11	53.11
Impact of borrowings measured at amortised cost				
-Effective interest rate adjustment	-	11.59	-	11.59
As at 31 March 2020	501.86	10,580.09	61.39	11,143.34

	Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
17	**Other financial liabilities**			
	Amount received from customer	352.50	25.46	49.66
	Payable to employees	0.69	100.00	101.53
		353.19	125.46	151.19

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	Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
18	**Provisions**			
	Provision for employee benefits			
	- Gratuity (refer note 32)	77.17	40.20	34.51
	- Compensated absences	42.43	21.86	16.30
		119.60	**62.06**	**50.81**

	Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
19	**Other non-financial liabilities**			
	Statutory dues payable	23.65	15.56	17.27
		23.65	**15.56**	**17.27**

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(All amounts are in rupees lakhs, unless stated otherwise)

20. Equity share capital

Particulars	As at 31 March 2020 Number	As at 31 March 2020 Amount	As at 31 March 2019 Number	As at 31 March 2019 Amount	As at 1 April 2018 Number	As at 1 April 2018 Amount
Authorised						
Equity shares of Rs. 10 (previous year Rs. 10) each	140,000,000	14,000.00	140,000,000	14,000.00	140,000,000	14,000.00
	140,000,000	14,000.00	140,000,000	14,000.00	140,000,000	14,000.00
Issued						
Equity shares of Rs. 10 (previous year Rs. 10) each	97,619,832	9,761.98	97,619,832	9,761.98	101,802,765	10,180.28
	97,619,832	9,761.98	97,619,832	9,761.98	101,802,765	10,180.28
Subscribed and paid up						
Equity shares of Rs. 10 (previous year Rs. 10) each fully paid up	97,619,832	9,761.98	97,619,832	9,761.98	101,802,765	10,180.28
	97,619,832	9,761.98	97,619,832	9,761.98	101,802,765	10,180.28

a) Reconciliation of shares capital

Particulars	As at 31 March 2020 Number	As at 31 March 2020 Amount	As at 31 March 2019 Number	As at 31 March 2019 Amount	As at 1 April 2018 Number	As at 1 April 2018 Amount
Balance at the beginning of the year	97,619,832	9,761.98	101,802,765	10,180.28	101,802,765	10,180.28
Add : Issued during the year	-	-	-	-	-	-
Less: Share buyback during the year (refer note f below)	-	-	(4,182,933)	(418.30)	-	-
Balance at the end of the year	97,619,832	9,761.98	97,619,832	9,761.98	101,802,765	10,180.28

b) Terms and rights attached to equity shares

The Company has one class of equity shares having par value of Rs. 10 each. Each shareholder is entitled for one vote per share held.

In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after payment of all liabilities, in proportion to their shareholding as on that date.

c) Details of shares held by each shareholder holding more than 5% shares

Particulars	As at 31 March 2020 Number	As at 31 March 2020 Amount	As at 31 March 2019 Number	As at 31 March 2019 Percentage	As at 1 April 2018 Number	As at 1 April 2018 Percentage
1 VISFF No. 1 Limited	76,852,199	78.73%	76,852,199	78.73%	80,107,362	78.69%
2 Goel Investments Limited	16,913,957	17.33%	16,913,957	17.33%	17,841,727	17.53%

d) Details of shares held by the Holding Company

Particulars	As at 31 March 2020 Number	As at 31 March 2020 Amount	As at 31 March 2019 Number	As at 31 March 2019 Amount	As at 1 April 2018 Number	As at 1 April 2018 Amount
VISFF No. 1 Limited	76,852,199	7,685.22	76,852,199	7,685.22	80,107,362	8,010.74

e) Details of shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issues during the last 5 years for each class of shares

No such issue has taken place in the current period and immediately preceding five years. The Company has not issued any shares pursuant to a contract without payment being received in cash in the current period and immediately preceding five years.

f) Aggregate no of shares bought back

During the year ended 31 March 2020, Nil (31 March 2019: 4,182,933) equity shares were bought back at an average price of Rs.35.86 per share in accordance with section 68,69 and 70 and all other applicable provisions,if any,of the companies Act, 2013 read with rule 17 of the Companies (Share Capital and Debentures) Rules 2014 (as amended).

21 Other equity

Reserve and Surplus	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Statutory reserve (Under section 45-IC of the Reserve Bank of India Act, 1934)	1,538.97	1,368.28	1,063.67
Securities premium account	2,861.48	2,861.48	4,195.18
Retained earnings	4,765.33	4,094.30	3,250.69
Capital redemption reserve	418.30	418.30	-
Total	9,584.08	8,742.36	8,509.54

Statutory reserve (Under section 45-IC of the Reserve Bank of India Act, 1934)
In terms of section 45-IC of the Reserve Bank of India Act, 1934, every Non-Banking Financial Company is required to create a Reserve Fund and transfer therein atleast 20% of its net profit every year as disclosed in the Statement of Profit and Loss and before any dividend is declared

Securities premium account
Securities premium represents the amount received in excess of par value of securities (equity shares). The amount is utilised in accordance with the provisions of the Companies Act, 2013.

Retained earnings
Retained earnings represent the undistributed profits of the Company.

Capital redemption reserve
This reserve represents reserve created on redemption of equity shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

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(All amounts are in rupees lakhs, unless stated otherwise)

	Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
22	**Interest income (On financial assets measured at amortised cost)**		
	Interest on loans	3,993.70	4,679.96
	Interest from investment in debt securities	449.04	341.82
	Interest on deposits with banks	99.27	81.54
	Interest on other financial assets	2.65	0.65
		4,544.66	5,103.97

	Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
23	**Net gain on fair value changes**		
	Net gain on financial instruments at fair value through profit and loss		
	(i) Trading portfolio	-	-
	(ii) On financial instruments designated at fair value through profit and loss		
	- Changes in fair value of investment in mutual funds	19.87	12.13
	Total net gain on fair value changes	**19.87**	**12.13**
	Fair value changes:		
	Realised	16.88	13.85
	Unrealised	2.99	(1.72)
	Total net gain on fair value changes	19.87	12.13

	Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
24	**Finance costs**		
	Interest on debt securities carried at amortised cost	94.08	97.87
	Interest on borrowings other than debt securities carried at amortised cost	1,647.71	1,529.41
	Interest expense on lease liability	5.91	8.78
	Interest expense on delayed payment of statutory dues	0.35	0.14
		1,748.05	1,636.20

	Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
25	**Impairment on financial instruments (at amortised cost)**		
	Loans	(80.78)	284.48
	Investment in debt securities	728.09	(49.18)
		647.31	235.30

	Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
26	**Employee benefits expenses**		
	Salaries and wages	360.88	377.03
	Contribution to provident and other funds	11.26	11.08
	Staff welfare expenses	12.94	12.02
		385.08	400.13

	Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
27	**Depreciation expense**		
	Depreciation on property, plant and equipment	85.64	86.92
		85.64	86.92

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	Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
28	**Other expenses**		
	Legal and professional charges	223.19	291.09
	Auditors' remuneration (refer note below)	28.33	29.03
	Travelling and conveyance	95.04	66.76
	Power and fuel	24.04	27.11
	Goods and service tax expense	26.53	45.70
	Office maintenance	24.62	24.86
	Rent expenses	4.93	5.31
	Dues and subscription	1.74	37.32
	Repair and maintenance	9.08	9.57
	Communication	6.12	7.20
	Corporate social responsibility expenses#	25.16	17.79
	Business promotion	2.32	3.13
	Printing and stationery	0.77	0.78
	Bank charges	4.42	1.98
	Advertisment and publicity	0.39	0.31
	Vehicle running charges	3.23	2.80
	Insurance	1.75	2.22
	Foreign exchange fluctuation (net)	0.19	0.02
	Miscellaneous expenses	3.49	4.07
		485.34	577.05

Note:

Breakdown of auditors' remuneration

For audit	21.00	21.00
For other services	5.95	6.65
For reimbursement of expenses	1.38	1.38

#Corporate social responsibility expenses

The Company spent ₹ 25.16 lakhs (31 March 2019: ₹ 17.79 Lakh), towards corporate social responsibility (CSR) activities as follows:

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
(a) Gross amount required to be spent	42.66	39.76
(b) Amount spent on		
Construction/acquisition of any asset	-	-
On purpose other than above	25.16	17.79
Total unspent amount	17.50	21.97

29 Income tax expense

Income tax expense recognised in Statement of profit and loss

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Current tax		
In respect of the current year	447.60	616.16
	447.60	616.16
Deferred tax (credit)/ charge		
In respect of the current year	(87.95)	2.90
	(87.95)	2.90
	359.65	619.06

The major components of tax expense and the reconciliation of the expected tax expense based on the domestic effective tax rate and the reported tax expense in statement of profit and loss, is as follows:-

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Profit before tax	1,213.11	2,180.50
Domestic tax rate*	25.17%	29.12%
Expected tax expense [A]	305.32	634.96
Tax impact of expenses which is non deductible	(1.03)	(11.46)
Tax impact on donation made	(6.33)	(3.69)
Deduction U/S 36(1)(viii)(a)	22.02	31.05
Impact for change in tax rate	(68.99)	-
Total adjustments [B]	(54.33)	15.90
Actual tax expense [C=A-B]	359.65	619.06
Tax expense comprises:		
Current tax expense	447.60	616.16
Deferred tax credit	(87.95)	2.90
Tax expense recognized in profit or loss [D]	359.65	619.06

*With introduction of Taxation Laws (Amendment) Ordinance, 2019, where section 115BAA was introduced in the Income-tax Act, 1961 proposing option to compute income tax liability at revised taxation rates, the Company has elected to exercise the option and thereby the applicable tax rates have reduced from 29.12% to 25.17%.The tax expense for the current financial year 2019-2020, has been computed considering the revised tax provisions.

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(All amounts are in rupees lakhs, unless stated otherwise)

30 Earnings per share

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
a) Net profit after tax for the year	653.46	1,561.44
b) Number of equity shares		
Opening number of equity shares at the beginning of the year	97,619,632	101,802,765
Closing number of equity shares at the end of the year	97,619,632	97,619,632
Weighted average number of equity shares	97,619,632	101,619,404
c) Earnings per equity share		
Basic (Rs.)	0.67	1.54
Diluted (Rs.)	0.67	1.54

31 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	0.64	Nil	Nil
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	Nil	Nil	Nil
(iii) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	Nil	Nil	Nil
(iv) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	Nil	Nil	Nil
(v) The amount of interest accrued and remaining unpaid at the end of the each accounting year	Nil	Nil	Nil
(vi) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	Nil	Nil	Nil

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32 Employee benefits

(i) Defined contribution plans

The Company makes contribution towards employees' provident fund. Under these schemes, the Company is required to contribute a specified percentage of payroll cost, as specified in the rules of the schemes, to these defined contribution schemes.
The Company has recognised Rs. 11.26 lakhs (31 March 2019: Rs. 11.08 lakhs) during the year as expense towards contributions to these plans.

(ii) Defined benefit plans- Gratuity
The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure of 15 days salary (last drawn salary) for each completed year of service.

The present value of the defined benefit obligation and the related current service cost were measured using the Projected Unit Credit Method with actuarial valuation being carried out at each balance sheet date.

The following tables set out the status of the gratuity plan and amounts recognised in the Company's financial statements as at 31 March 2020:

a) **Expense recognised in the Statement of Profit and Loss during the year:**

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Current service cost	18.22	10.20
Interest cost	3.05	2.66
Total	**21.27**	**12.86**

b) **Remeasurement recognised in other comprehensive (losses)/ gains**

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Actuarial (loss)/ gain on re-measurement of obligation:-		
a) Actuarial (loss)/ gain arising from changes in demographic assumption	(0.09)	-
b) Actuarial (loss)/ gain arising from changes in financial assumption	(8.93)	(0.68)
c) Actuarial (loss)/ gain arising from experience adjustments	(6.68)	7.85
Total	**(15.70)**	**7.17**

c) **Changes in present value of obligation during the year**

Particulars	As at 31 March 2020	As at 31 March 2019	As at 01 April 2018
Details of provision for gratuity			
Defined benefit obligation	77.17	40.20	34.51
Less: Fair value of plan assets	-	-	-
Net liability recognised in balance sheet	**77.17**	**40.20**	**34.51**

d) **Changes in defined benefit obligation during the year**

Particulars	As at 31 March 2020	As at 31 March 2019
Opening balance of defined benefit obligation	40.20	34.51
Interest cost	3.05	2.66
Current service cost	18.22	10.20
Net actuarial loss/(gain) on obligation	15.70	(7.17)
Closing balance of defined benefit obligation	**77.17**	**40.20**

e) **Assumptions for gratuity**

Particulars	As at 31 March 2020	As at 31 March 2019
Discount rate	6.80%	7.60%
Salary escalation rate	10%	10%
Retirement age (in years)	60	60
Mortality rates inclusive of provision for disability	IALM 2012-14 ult.	IALM 2006-08 ult.
Withdrawal rate	1%	1%

The discount rate is based on prevailing market yields of Government of India securities as at the balance sheet for the estimated term of the obligations

The estimate of future salary increase has been considered, taking into account the inflation, seniority, promotion, increments and other relevant factors.
The gratuity plan is unfunded.

f) **Sensitivity analysis of defined benefit obligation**

Particulars	As at 31 March 2020	As at 31 March 2019	As at 01 April 2018
a) Impact of the change in discount rate			
i) Impact due to increase of 100 basis points (31 March 2019: 100 basis points)	(10.96)	(6.23)	(5.40)
ii) Impact due to decrease of 100 basis points (31 March 2019: 100 basis points)	13.25	7.63	6.63
b) Impact of the change in salary increase			
i) Impact due to increase of 100 basis points (31 March 2019: 100 basis points)	12.70	7.37	6.42
ii) Impact due to decrease of 100 basis points (31 March 2019: 100 basis points)	(10.76)	(6.16)	(5.34)

Sensitivities due to mortality and withdrawals are not material and hence impact of change has been presented not calculated.

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q) **Maturity analysis of discounted defined benefit obligation**

Particulars	As at 31 March 2020	As at 31 March 2019	As at 01 April 2018
Less than 1 year	0.38	0.25	0.15
Year 1 to 5	2.51	1.31	1.02
Over 5 years	74.29	36.64	33.35

33 Segment reporting

The Company is a Non-banking Financial Institution registered with the Reserve bank of India predominantly engaged in a single business segment i.e. financing, which has similar nature of services, type/class of customers and the nature of the regulatory environment, risks and returns and accordingly there are no separately reportable business or geographical segments as per the Indian Accounting Standard ('Ind AS') 108 on Operating Segments. The aforesaid is in line with the way operating results are reviewed and viewed by the chief operating decision maker(s). Accordingly, the amounts appearing in these financial statements relate to the Company's single business segment.

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Venus India Asset-Finance Private Limited
Summary of significant accounting policies and other explanatory notes for the year ended 31 March 2020
(All amounts are in rupees lakhs, unless stated otherwise)

34. Related party disclosures

a) Related parties

In accordance with the reuirements of Indian Accounting Standard (Ind AS-24) on related party disclosures where control exist and where transactions have taken place and description of the relationship as identified and certified by management are as follows:

(i) Ultimate Holding Company	Venus India Structured Finance (Offshore) Fund Limited (British Virgin Islands) Venus India Structured Finance Master Limited (British Virgin Islands)
(ii) Holding Company	VISFF No. 1 Limited
(iii) Entity exercising significant influence	Vacuf Limited
(iv) Entity under same management	Goel Investments Limited
(iv) Key Management Personnel (KMP)	Mrs. Prema Bajaj (Director) (till 06.02.2019) Mr. Krishan Kant Mittal (Manager) (till 30.04.2018) Mr. Saket Misra (Manager) (w.e.f. 08.10.2018) Mr. Anurag Garg (CFO) Mr. Gaurav Goel (Director) Mr. Nalin Kumar Gupta (Director)

b) Transactions with related parties

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest expenses on non-convertible debentures		
- Vacuf Limited	94.08	97.87
Redemption of non-convertible debentures		
- Vacuf Limited	325.00	-
Shares bought back		
- VISFF No. 1 Limited	-	1,167.30
- Goel Investments Limited	-	332.70
Remuneration *		
- Prema Bajaj	-	23.93
- Krishan Kant Mittal	-	0.68
- Saket Misra	214.94	94.04
- Anurag Garg	43.66	44.05
Staff loan given		
- Saket Misra	54.00	9.42
Repayment received for staff loan		
- Saket Misra	34.50	9.42
Professional services		
- Gaurav Goel	40.00	-
Reimbursement of expenses		
- Venus India Structured Finance Master Limited	44.11	114.26
- Nalin Kumar Gupta	0.28	-

* Does not include gratuity and compensated absences, since the provision is based upon actuarial for the Company as a whole.

c) Balances outstanding at the year end

Particulars	As at 31 March 2020	As at 31 March 2019	As at 01 April 2018
Non-convertible debentures (including interest accrued)			
- Vacuf Limited	501.66	899.63	806.90
Equity Share Capital			
-VISFF No. 1 Limited	7,685.22	7,685.22	8,010.74
Trade Payable			
- Venus India Structured Finance Master Limited	20.35	-	-
Staff Loan (at amortised cost)			
- Saket Misra	17.63	-	-

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35 Ind AS 116 Leases

This note explains the impact of the adoption of Ind AS 116 Leases on Company's financial statements and discloses the new accounting policies that have been applied from 1 April 2018.

The Company has property lease agreement usually for a period of 2-3 years. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. The Company classifies its right-of-use assets in a consistent manner to its property, plant and equipment.

Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublease the asset to another party, the right-of-use asset can only be used by the Company. The Company is prohibited from selling or pledging the underlying leased assets as security. .

(a) Lease payments not included in measurement of lease liability

The expense relating to payments not included in the measurement of the lease liability is as follows:

Particulars	31 March 2020	31 March 2019
Short term leases	4.93	5.31

(b) The lease liabilities as at 01 April 2018 can be reconciled to the operating lease commitments as of 1 April 2018 as follows:

	1 April 2018
Operating lease commitments as at 31 March 2018	-
Cancellable operating commitments, treated as part of lease term under Ind AS 116	119.06
Recognition exemption:	
Leases with remaining lease term of less than 12 months	(5.31)
Operating lease liabilities before discounting	**113.75**
Discounting impact (using incremental borrowing rate)	(12.20)
Lease liabilities as at 01 April 2018	**101.55**

(c) Set out below are the carrying amounts of lease liabilities (included under borrowings) and the movements during the period

	31 March 2020	31 March 2019
Opening balance	**61.78**	**101.55**
Additions	53.10	8.87
Deletions	-	-
Accretion of interest	5.92	8.77
Payments	59.40	57.41
Closing balance	**61.40**	**61.78**

(d) The Company had total cash outflows for leases of Rs. 64.33 lacs for the year ended 31 March 2020 (31 March 2019: Rs. 62.72 lacs).

(e) Refer note 39 (B) for the maturity profile of lease liability

(f) Impact on transition:

1 Effective 1 April 2018, the Company has adopted Ind AS 116 "Leases" and applied modified retrospective approach to all lease contracts existing as at 1 April 2018. Accordingly, the Company has recognized right of use asset equal to the lease liability as at the date of initial application, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in that balance sheet immediately before the date of initial application.

On transition, the adoption of new standard resulted in recognition of lease liability of Rs. 101.55 lacs and corresponding right of use asset of Rs.102.28 lacs

2 For contracts in place as at 1 April 2018, the Company has elected to apply the definition of a lease from Ind AS 17 and has not applied Ind AS 116 to arrangements that were previously not identified as lease under Ind AS 17.

3 Instead of performing an impairment review on the right-of-use assets at the date of initial application, the Company has relied on its historic assessment as to whether leases were onerous immediately before the date of initial application of Ind AS 116.

4 On transition, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months, the Company has applied the optional exemptions to not recognise right-of-use assets but to account for the lease expense on a straightline basis over the remaining lease term.

5 On transition to Ind AS 116 the weighted average incremental borrowing rate applied to lease liabilities recognised was 10.88%.

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Venus India Asset-Finance Private Limited
Summary of significant accounting policies and other explanatory notes for the year ended 31 March 2020
(All amounts are in rupees lakhs, unless stated otherwise)

36 Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

Particulars	31 March, 2020			31 March, 2019			1 April, 2018		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets									
Financial assets									
Cash and cash equivalents	846.53	-	846.53	1,127.34	-	1,127.34	460 48	-	460 48
Bank balances other than cash and cash equivalents	1,192.65	324.35	1,517.00	1,125.41	387.39	1,512.80	1,061 74	55 98	1,117 72
Loans	17,706.44	5,484.81	23,191.25	16,595.58	11,501.66	28,097.24	13,172.06	11,586.56	24,758.62
Investments	1,724 40	2,527.80	4,252.20	658.79	3,414.25	4,073.04	1,075.67	475.63	1,551.30
Other financial assets	5.02	-	5.02	5.40	-	5.40	4 49	-	4 49
Non-financial assets									
Current tax assets (net)	-	515.86	515 86	-	335.36	335.36	-	51.60	51.60
Deferred tax assets (net)	-	600.44	600.44	-	508.54	508.54	-	513 53	513 53
Property, plant and equipment	-	121.38	121 38	-	149.72	149.72	-	205.24	205.24
Other non-financial assets	11.97	30.76	42.73	38.54	-	38.54	38 91	-	38 91
Total Assets	**21,487.01**	**9,605.40**	**31,092.41**	**19,551.06**	**16,296.92**	**35,847.98**	**15,813.35**	**12,888.54**	**28,701.89**
Liabilities and Equity									
Liabilities									
Financial liabilities									
Payables									
Trade payables									
total outstanding dues of micro enterprises and small enterprises	0.64	-	0.64	-	-	-	-	-	-
total outstanding dues of creditors other than micro enterprises and small enterprises	105.94	-	105.94	46.73	-	46.73	56 80	-	56 80
Debt securities	501.86	-	501.86	-	899.63	899.63	-	806.90	806.90
Borrowings (other than debt securities)	7,373.50	3,267 97	10,641.47	10,098.21	6,095.99	16,194.20	6,278 71	2,650.39	8,929.10
Other financial liabilities	353.19	-	353.19	125.46	-	125.46	151 19	-	151 19
Non-financial liabilities									
Provisions	1.08	118.52	119.60	0.64	61.42	62.06	0 43	50 38	50 81
Other non-financial liabilities	23.65	-	23.65	15.56	-	15 56	17 27	-	17 27
Total liabilities	**8,359.86**	**3,386.49**	**11,746.35**	**10,286.60**	**7,057.04**	**17,343.64**	**6,504.40**	**3,507.67**	**10,012.07**
Net	**13,127.15**	**6,218.91**	**19,346.06**	**9,264.46**	**9,239.88**	**18,504.34**	**9,308.95**	**9,380.87**	**18,689.82**

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37 Capital

The Company maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital adequacy requirements of the Reserve Bank of India (RBI) of India. The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by RBI.

The Company has complied in full with all its externally imposed capital requirements over the reported period.

37.1 Capital management

The capital management objectives of the Company are:
- to ensure that the company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios
- to ensure the ability to continue as a going concern
- to provide an adequate return to shareholders

Management assesses the capital requirements of the Company in order to maintain an efficient overall financing structure. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return on capital to shareholders, issue new shares, or sell assets to reduce debt

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Net debt*	11,061.93	17,032.05	9,534.45
Total equity	19,346.06	18,504.34	18,669.82
Net debt to total equity	**0.57**	**0.92**	**0.52**

*Net debt includes debt securities and borrowings (other than debt securities) except lease liability

38 Fair value measurements

A Financial instruments by category

The carrying amounts of financial instruments by category are as follows

Particulars	Note	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Financial assets measured at fair value				
Investments measured at fair value through profit and loss	Note-8	52.20	49.21	93.36
Financial assets measured at amortised cost				
Cash and cash equivalents	Note-5	846.53	1,127.34	460.48
Bank balances other than cash and cash equivalents	Note-6	1,517.00	1,512.80	1,117.72
Loans	Note-7	23,191.25	28,097.24	24,758.82
Investments in debt securities	Note-8	4,200.00	4,023.83	1,457.94
Other financial assets	Note-9	5.02	5.40	4.49
Total financial assets		**29,812.00**	**34,815.82**	**27,892.81**
Financial liabilities				
Trade payables	Note-14	106.58	46.73	56.80
Debt securities	Note-15	501.86	899.63	806.90
Borrowings (other than debt securities)	Note-16	10,641.47	16,194.20	8,929.10
Other financial liabilities	Note-17	353.19	125.46	151.19
Total financial liabilities		**11,603.10**	**17,266.02**	**9,943.99**

B Fair value hierarchy

Financial assets and financial liabilities are measured at fair value in the statement of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: Quoted prices (unadjusted) in for identical instruments in active markets;
Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and
Level 3: Inputs which are not based on observable market data (unobservable inputs)

B.1 Financial assets and liabilities measured at fair value - recurring fair value measurements:

Particulars	Period	Level 1	Level 2	Level 3	Valuation techniques and key inputs
Assets					
Investments at fair value through profit and loss					
Mutual funds	31 March 2020	52.20	-	-	Net asset value (NAV) obtained from an active market
	31 March 2019	49.21	-	-	
	1 April 2018	93.36	-	-	

B.2 Fair value of instruments measured at amortised cost

Fair value of instruments measured at amortised cost for which fair value is disclosed is as follows, these fair values are calculated using Level 3 inputs

Particulars	As at 31 March 2020		As at 31 March 2019		As at 1 April 2018	
	Carrying value	Fair value	Carrying value	Fair value	Carrying value	Fair value
Financial assets:						
Cash and cash equivalents	846.53	846.53	1,127.34	1,127.34	460.48	460.48
Bank balances other than cash and cash equivalents	1,517.00	1,517.00	1,512.80	1,512.80	1,117.72	1,117.72
Loans	23,191.25	23,161.27	28,097.24	27,951.09	24,758.82	24,765.38
Investments in debt securities	4,200.00	4,174.41	4,023.83	3,964.59	1,457.94	1,457.94
Other financial assets	5.02	5.02	5.40	5.40	4.49	4.49
Total financial assets	**29,759.80**	**29,704.23**	**34,766.61**	**34,561.22**	**27,799.25**	**27,806.01**
Financial liabilities:						
Trade payables	106.58	106.58	46.73	46.73	56.80	56.80
Debt securities	501.86	501.86	899.63	899.63	806.90	806.90
Borrowings (other than debt securities)	10,641.47	10,641.59	16,194.20	16,193.23	8,929.10	8,928.65
Other financial liabilities	353.19	353.19	125.46	125.46	151.19	151.19
Total financial liabilities	**11,603.10**	**11,603.22**	**17,266.02**	**17,265.05**	**9,943.99**	**9,943.54**

The management assessed that fair values of cash and cash equivalents, bank balances other than cash and cash equivalents, other financial assets, trade payables, debt securities and other financial liabilities approximate their respective carrying amounts, largely due to the short-term maturities of these instruments. The following methods and assumptions were used to estimate the fair values for other assets and liabilities:

(i) The fair values of the Company's fixed interest bearing loans and investments in debt securities are determined by applying discounted cash flows ('DCF') method, using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period.

(ii) The fair values of the Company fixed rate interest-bearing borrowings are determined by applying discounted cash flows ('DCF') method, using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. For variable rate interest-bearing borrowings carrying value represent best estimate of their fair value as these are subject to changes in underlying interest rate indices as and when the changes happen

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39 Financial risk management

i) Risk Management

The Company's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents,bank balances other than cash and cash equivalents, loans, investments and other financial assets	Expected credit loss analysis	Ensuring adequate security cover in lending, diversified and high quality investment of surplus funds, Prudent sectoral, counter-party and other relevant portfolio limits
Liquidity risk	Debt securities, borrowing (other than debt securities) and other liabilities	Rolling cash flow forecasts	Maintaining adequate cash reserves and undrawn credit facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.
Market risk - interest rate	Borrowings at variable rates	Sensitivity analysis	Adequately managing rates of lending and ensuring they dynamically reflect changes in costs
Market risk - security price	Investments in mutual funds	Sensitivity analysis	Portfolio diversification with focus on strategic investments

The Board has the overall responsibility of risk management and managing overall risk in the organization. In accordance with the RBI guidelines to enable NBFCs to adopt best practices and greater transparency in their operations, the Board of Directors of the Company reviews risk management in relation to various risks, namely, market risk, credit risk, and operational risk

A) Credit risk

Credit risk is the risk that a counterparty fails to discharge its obligation to the Company.This is the most important risk since the business of the Company is lending. The Company has established various internal risk management process to provide early identification of possible changes in the creditworthiness of counterparties, including regular collateral revisions. Counterparty limits are established by the use of a credit risk classification system, which assigns each counterparty a risk rating. Risk ratings are subject to regular revision. The credit quality review process aims to allow the Company to assess the potential loss as a result of the risks to which it is exposed and take corrective actions.

a) Credit risk management

The Company assesses and manages credit risk based on internal credit rating system and external ratings.

From credit risk perspective, the Company's lending portfolio can be segregated into following broad categories:

(i) Low credit risk
(ii) Moderate credit risk
(iii) High credit risk

The company provides for expected credit loss based on the following:

Nature	Assets covered	Basis of expected credit loss
Low credit risk	Cash and cash equivalents, other bank balances, investments, loans and other financial assets	12 month expected credit loss
Moderate credit risk	Loans, investments in debt securities and other financial assets	Life time expected credit loss or 12 month expected credit loss
High credit risk	Loans, investments in debt securities and other financial assets	Life time expected credit loss or fully provided for

Financial assets that expose the entity to credit risk*

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Low credit risk			
Cash and cash equivalents	846.53	1,127.34	460.48
Bank balances other than cash and cash equivalents	1,517.00	1,512.80	1,117.72
Other financial assets	5.02	5.40	4.49
Moderate credit risk			
Loans	18,031.85	25,053.42	24,788.41
Investments**	3,030.04	3,550.89	1,552.49
High credit risk			
Loans	6,462.20	4,447.40	1,407.38
Investments**	1,943.42	516.31	-

* These represent gross carrying values of financial assets, without deduction for expected credit losses
** This does not include investments in mutual funds as they are carried FVTPL.

Cash and cash equivalents and bank deposits

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks across the country.

Loans

Credit risk related to borrower's are mitigated by taking into account continued ability to repay (either through operations or through other identified sources) and as a contingency by considering collateral from borrower's. The Company closely monitors the credit-worthiness of the borrower's through internal systems wherein on an ongoing basis client financials and performance is monitored, project appraisal process (wherever applicable) and also liquidatability of collateral to assess the credit risk and thereby, limiting the credit risk to pre-calculated amounts. These processes include a detailed appraisal methodology, identification of risks and suitable structuring and credit risk mitigation measures. The Company assesses increase in credit risk on an ongoing basis for amounts loan receivables that become past due and and also where we witness any deterioration in performance of the sector or counterparty

The major guidelines for selection of the client includes
- Ensuring all KYC requirements are fulfilled and also after Compnay have run the necessary reputational checks and risk analysis
- The client's income and indebtness levels
- Client's operations, past record and ability to service the loan on an ongoing basis. Analysis of the collateral including stress testing of value
- Credit bureau check- In order to deal with the problem of over extension of credit and indebtedness of the client, the Company undertake credit bureau checks for every client. The credit bureau check helps the Company in identifying client with poor repayment histories and multiple loans

Investment in debt securities

Debt instruments (non-convertible debentures) are merely a separate delivery channel for provide financing. There is no market risk in terms of trading value changes of debt securities. Credit risk related to borrower's are mitigated by taking into account continued ability to repay (either through operations or through other identified sources) and as a contingency by considering collateral from borrower's. The Company closely monitors the credit-worthiness of the borrower's through internal systems wherein on an ongoing basis client financials and performance is monitored, project appraisal process (wherever applicable) and also liquidatability of collateral to assess the credit risk and thereby, limiting the credit risk to pre-calculated amounts. These processes include a detailed appraisal methodology, identification of risks and suitable structuring and credit risk mitigation measures. The Company assesses increase in credit risk on an ongoing basis for amount invested in debt securities that become past due and and also where we witness any deterioration in performance of the sector or counterparty.

Other financial assets measured at amortized cost

Other financial assets measured at amortized cost includes security deposits and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously.

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b) i) Expected Credit Losses (ECL) for financial assets other than loans and investment in debt securities
Company provides for expected credit losses on financial assets other than loans by assessing individual financial instruments for expectation of any credit losses:

- **For cash and cash equivalents and other bank balances** - Since the company deals with only high-rated banks and financial institutions For banking operations and the liquid funds category in the debt funds with consistent track record For short term investment of surplus funds, credit Risk in respect of cash and cash equivalents, other bank balances and bank deposits is evaluated as very low

- **For other financial assets** - Credit risk is evaluated based on Company's knowledge of the credit worthiness of those parties and loss allowance is measured for 12 month expected credit losses upon initial recognition and provide for lifetime expected credit losses upon significant increase in credit risk.

As at 31 March 2020	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	846.53	0%	-	846.53
Bank balances other than cash and cash equivalents	1,517.00	0%	-	1,517.00
Staff loan	24 80	0%	-	24 80
Other financial assets	5.02	0%	-	5.02

As at 31 March 2019	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	1,127.34	0%	-	1,127.34
Bank balances other than cash and cash equivalents	1,512.80	0%	-	1,512.80
Staff loan	3.80	0%	-	3.80
Other financial assets	5.40	0%	-	5.40

As at 1 April 2018	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	460 48	0%	-	460 48
Bank balances other than cash and cash equivalents	1,117.72	0%	-	1,117 72
Staff loan	5 78	0%	-	5 78
Other financial assets	4.49	0%	-	4 49

ii) Expected credit loss for loans and investment in debt securities*
For risk management reporting purposes, the Company considers and consolidates following elements of credit risk:

a. **Credit default risk:** The risk of loss arising from a debtor being unlikely to pay its loan obligations in full or the debtor is more than 90 days past due on any material credit obligation, default risk may impact all credit-sensitive transactions, including loans and securities

b. **Concentration risk:** The risk associated with any single exposure or group of exposures with the potential to produce large enough losses to threaten Company's core operations. There is also a rigorous analysis of sectoral exposures.

**These disclosures does not include staff loans*

A.1 Credit risk measurement
The impairment loss allowance on loan assets and investment in debt securities is provided as per Ind AS 109 in accordance with a board-approved policy, which measures the credit risk on the basis of key financial and operational parameters to assess improvement/ deterioration in credit quality. Management overlays to the model output, if any, are duly documented and approved by the Audit Committee. The evaluation of Expected Credit Loss (ECL) is undertaken by an independent agency

Company's extends loan majorily in Wholesale Finance with very limited exposure in Retail Finance.

a. **Wholesale Finance**
Company uses external rating as published by various credit rating agencies or proxy rating score in case such rating is not available The Company analyses various financial and qualitative parameters and assigns credit rating The proxy rating score model takes into consideration combination of following quantitative factors as well as other qualitative parameters.

Quantitative factors
- Debt/ EBITDA
- Return on Capital Employed
- Debt/ Net Worth
- Interest Coverage
- Cash Interest Coverage

Qualitative factors
- Networth caps
- Actual Default dates, loan restructuring details

b. **Retail Finance**
Company does not have any retail lending portfolio as at 31 March 2020 and very few accounts in the past. The limited exposure to retail loans were business loans to individuals, hence, no credit rating was available or calculated.

A.2 Expected credit loss measurement

A.2.1 Measurement of Expected Credit Loss (ECL)

Ind AS 109 outlines a "three stage" model for impairment based on changes in credit quality since initial recognition as summarised below:
- A financial instrument that is not credit impaired on initial recognition and whose credit risk has not increased significantly since initial recognition is classified as "Stage 1".
- If a significant increase in credit risk since initial recognition is identified, the financial instrument is moved to "Stage 2" but is not yet deemed to be credit impaired
- If a financial instrument is credit impaired, it is moved to "Stage 3"

- Financial instrument in Stage 1 have their ECL measured at an amount equal to expected credit loss that results from default events possible within the next 12 months Instruments in Stage 2 or Stage 3 criteria have their ECL measured on lifetime basis.

A.2.2 Significant Increase in Credit Risk (SICR)
The Company considers a financial instrument to have experienced a significant increase in credit risk when one or more of the following quantitative or qualitative criteria are met.

Quantitative criteria:
The company has assumed that a 2 notch downgrade in wholesale internal / external credit rating since initial recognition to be considered as significant increase in wholesale credit risk

Qualitative criteria:
a Initiation of Legal proceedings against borrower that may result into significant cash outflow
b Fraud in borrower business
c Group / Parent company under severe financial stress
d. Borrower specific severe issues like death etc.

Backstop:
A backstop is applied by the Company on any financial instrument if the payment of borrower is more than 30 days past due on its contractual payments or there is any convenant breach.

A.2.3 Definition of default

The Company defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired, when the loan account is more than 90 days past due on its contractual payments or any such period allowed by the company in line with circular issued by the Reserve Bank of India

A.2.4 Explanation of inputs, assumptions and estimation techniques
Expected credit losses are the discounted product of the probability of default (PD), exposure at default (EAD) and loss given default (LGD), defined as follows
- PD represents the likelihood of the borrower defaulting on its obligation either over next 12 months or over the remaining lifetime of the instrument
- EAD represents the amounts, including the principal outstanding and interest accrued that the Company expects to be owed at the time of default.

- LGD represents the Company's expectation of loss given that a default occurs. LGD is expressed in percentage and remains unaffected from the fact that whether the financial instrument is a Stage 1 asset, or Stage 2 or even Stage 3 However, it varies by type of borrower, availability of collateral or other credit support

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Determination of Probability of Default (PD)

Wholesale loans

The Company has analysed the publicly available transition matrix of various rating agencies to arrive at the annual average transition matrix for credit rating agencies in India. This average annual transition matrix was extrapolated to arrive at the lifetime probability of default of various rating grades by loan tenure / maturity profile

Retail loans

The Company has used external benchmarking to develop PD model for retail loans by analysing the results of MSME Vintage Pool NPA trend provided by TransUnion CIBIL and SIDBI in their Dec 2018 MSME pulse report and has considered it as the base to arrive at PD for business loan.

Loss given default (LGD) computation model

Wholesale Loans

Most of the Company's loans are secured against property, shares, receivables (in case of loans to NBFCs) or any other form of security. The Company uses value of collateral as key input to determine LGD. Based on the historical trend, research and industry benchmarking, the Company has constructed LGD model for Loan against share (LAS) and Loan against property (LAP) Wholesale loans.

For loans against share, while computing potential recoverability from loans, the Company has analysed the past 12 months share price and analysed the impact on the security cover and recoverability if the share price falls below the minimum closing price of last 12 months. The Company has further analysed Impact of Security Value at Risk (VaR) of scrip and Impact Cost of the stock on the overall recoverability

For loans against property, while computing potential from loans, the Company has analysed factors other than valuation of collateral including location of collateral, borrower's state of operation, legal/documentation quality of collateral, marketability and price volatility of collateral, etc

Retail Loans

The retail portfolio of company is limited to 2 borrower with no history of default. Hence, the Company has estimated the amount of recoverability based on the valuation of collaterals.

A.2.5 Key assumptions used in measurement of ECL

- The Company considers the date of initial recognition as the base date from which significant increase in credit risk is determined.
- Since the Company has a right to cancel any sanctioned but undrawn limits to any of its borrowers, EAD is assumed to be outstanding balance as on the reporting date.
- Turnover Cap and Parent support is considered for assigning final ratings

A.2.6 Forward looking information incorporated in ECL models

The assessment of significant increase in risk and the calculation of ECL both incorporate forward-looking information. Further, Company has developed Base Case Scenario which depicts current state of Indian economy and Stress Case Scenario which depicts downturn of Indian Economy

Given the current situation of COVID 19 and its impact on economic operations on not just India but globally, Company has analysed future outlook of various industries to whom it has extended loans, which are or are expected to be highly impacted due to this global pandemic. This industry future outlook analyses is used to identify loan assets requiring incorporation of stress case ECL in final amount of ECL.

A.3 Collateral and other credit enhancements

The Company employs a range of policies and practices to mitigate credit risk. The most common of these is accepting collateral for funds disbursed. The Company has internal policies on the acceptability of specific classes of collateral or credit risk mitigation. The principal collateral types for loans and advances are

- Mortgage of Immovable properties
- Hypothecation of Moveable property
- Pledge of instruments through which promoters' contribution is infused in the project
- Pledge of Promoter Shareholding
- Mortgage of receivables

A.4 Loss allowance

The loss allowance recognized in the period is impacted by a variety of factors, as described below:

- Transfers between Stage 1 and Stages 2 or 3 due to financial instruments experiencing significant increases (or decreases) of credit risk or becoming credit-impaired in the period, and the consequent "step up" (or "step down") between 12-month and Lifetime ECL
- Additional allowances for new financial instruments recognised during the period, as well as releases for financial instruments de-recognised in the period
- Impact on The measurement of ECL due to changes in PDs, Exposure at defaults (EADs) and LGDs in the period, arising from regular refreshing of inputs to models
- Financial assets derecognised during the period and write-offs of allowances related to assets that were written off during the period

The following tables explain the changes in the loss allowance between the beginning and the end of the annual period due to these factors:

	Stage 1	Stage 2	Stage 3	
Loss Allowance	**12 months ECL**	**Lifetime ECL**	**Lifetime ECL**	**Total**
Loans and investment in debt securities carried at amortised Cost				
Balance as at 1 April, 2018	631.19	16.64	883.89	1,531.72
Transfer to 12 months ECL	-	-	-	-
Transfer to life time ECL not credit impaired	-	-	-	-
Transfer to Lifetime ECL credit impaired	-	-	-	-
New Financial assets originated or purchased	60.82	-	77.71	138.53
Financial Assets that have been derecognised	(114.46)	204.15	(310.99)	(221.30)
Balance as at 31 March, 2019	577.55	220.79	650.61	1,448.95
Transfer to 12 months ECL	-	-	-	-
Transfer to life time ECL not credit impaired	-	77.71	(77.71)	-
Transfer to Lifetime ECL credit impaired	(27.40)	-	27.40	-
New Financial assets originated or purchased	137.87	-	144.28	282.15
Financial Assets that have been derecognised	(426.26)	(231.20)	1,022.62	365.16
Balance as at 31 March, 2020	261.76	67.30	1,787.20	2,096.26

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The following table further explains changes in the gross carrying amount of the Loan portfolio to help explain their significance to the changes in the loss allowance for the same portfolio as discussed above:

Gross exposure	Stage 1 12 months ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Loans and investment in debt securities carried at amortised Cost				
Balance as at 1 April, 2018	24,108.05	2,227.07	1,407.38	27,742.50
Transfer to 12 months ECL	173.11	(173.11)	-	-
Transfer to life time ECL not credit impaired	(1,496.66)	1,496.66	-	-
Transfer to Lifetime ECL credit impaired	(966.99)	-	966.99	-
New Financial assets originated or purchased	12,831.46	1,447.26	2,525.77	16,804.49
Financial Assets that have been derecognised	(7,885.52)	(2,622.51)	(472.74)	(10,980.77)
Balance as at 31 March, 2019	26,743.45	2,375.37	4,447.40	33,566.22
Transfer to 12 months ECL	2,602.81	-	(2,602.81)	-
Transfer to life time ECL not credit impaired	(3,790.69)	4,700.65	(909.96)	-
Transfer to Lifetime ECL credit impaired	(6,650.92)	(1,720.52)	8,371.44	-
New Financial assets originated or purchased	6,563.53	-	326.76	6,890.29
Financial Assets that have been derecognised	(7,036.05)	(2,750.53)	(1,207.22)	(10,993.80)
Balance as at 31 March, 2020	18,432.13	2,604.97	8,425.61	29,462.71

A.5 Details of stage wise exposure and impairment loss allowance:

	As at 31 March 2020		As at 31 March 2019		As at 1 April 2018	
	Exposure	Impairment allowance	Exposure	Impairment allowance	Exposure	Impairment allowance
Credit impaired loan assets (Default event triggered) (Stage III)	8,425.61	1,767.20	4,447.40	650.61	1,407.38	883.89
Loan assets having significant increase in credit risk (Stage II)	2,604.97	67.30	2,375.37	220.79	2,227.07	16.64
Other loan assets (Stage I)	18,432.13	261.76	26,743.45	577.55	24,108.05	631.19
Total	29,462.71	2,096.26	33,566.22	1,448.95	27,742.50	1,531.72

A.6 Concentration of credit risk

The Company monitors concentration of credit risk by type of industry in which the borrower operates, further bifurcated into type of product, whether wholesale or retail

	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Concentration by industry			
Automobile	220.06	181.13	-
Consumer Discretionary	406.50	909.96	-
Consumer Foods	498.69	570.76	2,175.74
Diversified	-	654.65	1,496.66
Education	3,270.35	2,389.23	285.41
Financial Services	8,072.46	3,759.29	3,321.55
Hospitality	382.76	2,006.91	2,472.08
IT Services	1,860.89	4,063.41	2,461.97
Manufacturing	2,806.53	3,017.05	3,222.89
Packaging	866.77	969.63	-
Real Estate	10,514.27	13,382.24	10,236.31
Textiles	153.17	302.59	741.57
Warehousing and Logistics	400.00	1,358.97	1,329.34
	29,462.71	33,566.22	27,742.50
Concentration by ownership			
Corporate	29,462.71	33,553.81	27,266.61
Retail	-	12.41	475.89
	29,462.71	33,566.22	27,742.50

A.7 Write off policy

The Company writes off financial assets, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include ceasure of enforcement activity or where the Company's recovery method is foreclosing on collateral and the value of collateral is such that there is no reasonable expectation of recovery in full.

B) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The ultimate responsibility for liquidity risk management rests with the Board of Directors. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows.

Maturities of financial assets

31 March 2020	Less than 1 year	1 - 5 years	More than 5 years	Total
Cash and cash equivalents	846.53	-	-	846.53
Other bank balances	1,192.65	324.35	-	1,517.00
Loans	20,817.12	6,170.05	-	26,987.17
Investment in debt securities	2,346.73	3,411.72	-	5,758.45
Investment in mutual funds	52.20	-	-	52.20
Other financial assets	5.12	-	1.50	6.62
Total	25,260.35	9,906.12	1.50	35,167.97

31 March 2019	Less than 1 year	1 - 5 years	More than 5 years	Total
Cash and cash equivalents	1,127.34	-	-	1,127.34
Other bank balances	1,125.41	387.39	-	1,512.80
Loans	20,661.45	13,676.91	-	34,338.36
Investment in debt securities	1,290.07	4,189.30	-	5,479.37
Investment in mutual funds	49.21	-	-	49.21
Other financial assets	5.12	-	1.50	6.62
Total	24,258.60	18,253.60	1.50	42,513.70

1 April, 2018	Less than 1 year	1 - 5 years	More than 5 years	Total
Cash and cash equivalents	460.48	-	-	460.48
Other bank balances	1,061.74	55.98	-	1,117.72
Loans	16,703.26	14,848.67	-	31,551.93
Investment in debt securities	1,269.71	537.65	-	1,807.36
Investment in mutual funds	93.36	-	-	93.36
Other financial assets	5.22	-	-	5.22
Total	19,593.77	15,442.30	-	35,036.07

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Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative and derivative financial liabilities.
The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

31 March, 2020	Less than 1 year	1 - 5 years	More than 5 years	Total
Trade payables	106.58	-	-	106 58
Debt securities	562.08	-	-	562 08
Borrowings (other than debt securities)	8,250.02	3,532.90	-	11,782.92
Lease liability	48.44	17.15	-	65.59
Other financial liabilities	353 19	-	-	353.19
Total	**9,320.31**	**3,550.05**	-	**12,870.36**

31 March 2019	Less than 1 year	1 - 5 years	More than 5 years	Total
Trade payables	46 73	-	-	46.73
Debt securities	-	1,129.54	-	1,129.54
Borrowings (other than debt securities)	11,238 49	6,930.46	-	18,168.95
Lease liability	47.15	19.04	-	66.19
Other financial liabilities	125.46	-	-	125.46
Total	**11,457.83**	**8,079.04**	-	**19,536.87**

1 April, 2018	Less than 1 year	1 - 5 years	More than 5 years	Total
Trade payables	56.80	-	-	56.80
Debt securities	-	1,133.64	-	1,133.64
Borrowings (other than debt securities)	6,823.24	3,008 27	-	9,831.51
Lease liability	54.60	59 15		113.75
Other financial liabilities	151.19	-	-	151.19
Total	**7,085.83**	**4,201.06**	-	**11,286.89**

C) Market risk

a. Interest rate risk

i) Liabilities

The policy of the Company is to minimise interest rate cash flow risk exposures on long-term loans and borrowings. As at 31 March 2020, the Company is exposed to changes in market interest rates through loans and bank borrowings at variable interest rates.

Interest rate risk exposure

Below is the overall exposure of the Company to interest rate risk:

Particulars	31 March 2020	31 March 2019	1 April 2018
Variable rate loans	7,818 69	16,056.38	8,738.00
Fixed rate loans	3,263.24	975.67	896.45
	11,081 93	17,032.05	9,634 45

Sensitivity

Below is the sensitivity of profit or loss and equity changes in interest rates

Particulars	31 March 2020	31 March 2019	1 April 2018
Interest sensitivity*			
Interest rates – increase by 100 basis points (31 March 2019 100 bps, 01 April 2018 100 bps)	(78 19)	(160 56)	(87 38)
Interest rates – decrease by 100 basis points (31 March 2019 100 bps; 01 April 2018 100 bps)	78.19	160.56	87.38

* Holding all other variables constant

ii) Assets

The Company's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

b. Price risk

Exposure

The Company is exposed to price risk in respect of its investment in mutual funds. The mutual funds are quoted investments.

Sensitivity

Below is the sensitivity of profit or loss and equity to changes in fair value of investments, assuming no change in other variables:

Particulars	31 March 2020	31 March 2019	1 April 2018
Price sensitivity			
Price increase by 5%	2 61	2.46	4 67
Price decrease by 5%	(2 61)	(2 46)	(4 67)

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(All amounts are in rupees lakhs, unless stated otherwise)

40 **A Comparison between provisions required under Income Recognition, Asset Classification and Provisioning (IRACP) norms and impairment allowance under Ind AS 109 as on 31 March 2020**

Asset classification as per RBI norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS*	Loss allowance (provisions) as required under Ind AS 109	Net carrying amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(4)-(3)	(6)	(7)=(4)-(6)
Performing Assets						
Standard	Stage 1	18,432.13	261.76	18,170.37	45.57	216.19
	Stage 2	2,604.97	67.30	2,537.67	6.33	60.97
	Stage 3	2,618.87	284.94	2,333.93	38.75	246.19
Subtotal		**23,655.97**	**614.00**	**23,041.97**	**90.65**	**523.35**
Non-Performing Assets (NPA)						
Substandard	Stage 3	4,917.85	939.46	3,978.39	497.20	442.26
Doubtful - upto 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	488.89	321.62	167.27	146.67	174.95
More than 3 years	Stage 3	400.00	221.18	178.82	200.00	21.18
Subtotal for doubtful		**888.89**	**542.80**	**346.09**	**346.67**	**196.13**
Subtotal for NPA		**5,806.74**	**1,482.26**	**4,324.48**	**843.87**	**638.39**
Total	**Stage 1**	**18,432.13**	**261.76**	**18,170.37**	**45.57**	**216.19**
	Stage 2	**2,604.97**	**67.30**	**2,537.67**	**6.33**	**60.97**
	Stage 3	**8,425.61**	**1,767.20**	**6,658.41**	**882.62**	**884.58**

*This includes loans asset given (including interest accrued), investment in debt securities (including interest accrued) and excluding staff loans.

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41 First time adoption of Ind AS

These financial statements, for the year ended 31 March 2020, are the first financial statements the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2019, the Company prepared its financial statements in accordance with accounting standards prescribed under section 133 of the Companies Act 2013, read with rule 7 of the Companies (Accounts) Rules, 2014(as amended) (Indian GAAP or previous GAAP)

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for year ended 31 March 2020, together with comparative period data as at and for the year ended 31 March 2019, as described in the summary of significant accounting policies. In preparing these financial statements, the Comaphy's opening balance sheet was prepared as at 01 April 2018, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP fiancial statements, including the balance sheet as at 01 April 2018 and the financial statements as at and for the year ended 31

A Ind AS optional exemptions

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

1 Deemed cost for property, plant and equipment

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. Accordingly, the Company has elected to measure all of its property, plant and equipment at their previous GAAP carrying value

B Ind AS mandatory exceptions

1 Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at transition date are consistent with the estimates as at the same date made in conformity with previous GAAP

The Company made estimates for following items in accordance with Ind AS at the date of transition as these were notrequired under previous GAAP:

a. Impairment of financial assets based on expected credit loss model.

2 Classification and measurement of financial assets and liabilities

The classification and measurement of financial assets will be made considering whether the conditions as per Ind AS 109 are met based on facts and circumstances existing at the date of transition

C Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

1 Reconciliation of total equity

	Note	31 March 2019	1 April 2018
Total equity (shareholder's funds) as per previous GAAP		19,412.03	19,641.00
Adjustments:			
Measurement of financial assets and financial liabilities at amortised cost	1,2,3,4	(197.93)	(159.51)
Adjustment for impairement on financial instruments	5	(1,080.71)	(1,185.59)
Measurement of current investment at fair value	6	0.75	2.47
Adjustment in repect of Ind AS 116 Leases	7	(2.64)	0.72
Tax impact on above	9	372.84	390.73
Total adjustments		**(907.69)**	**(951.18)**
Total equity as per Ind AS		**18,504.34**	**18,689.82**

2 Reconciliation of total comprehensive income for the year

	Note	31 March 2019
Profit after tax as per Previous GAAP		1,523.03
Adjustments:		
Measurement of financial assets and financial liabilities at amortised cost	1,2,3,4	(38.42)
Adjustment for impairement on financial instruments	5	104.88
Measurement of current investment at fair value	6	(1.72)
Adjustment in repect of Ind AS 116 Leases	7	(3.36)
Remeasurement of defined benefit obligations	8	(7.17)
Tax impact on above	9	(15.80)
Total adjustments		**1,561.44**
Profit after tax as per Ind AS		
Other comprehensive income	8	5.08
Total comprehensive income as per Ind AS		**1,566.52**

3 Reconciliation of statement of cash flows for the year ended 31 March 2019

Particulars	Previous GAAP*	Adjustments	Ind AS
Net cash flow from operating activities	(4,455.12)	-	(4,455.12)
Net cash flow from investing activities	(353.66)	-	(353.66)
Net cash used in financing activities	5,475.64	-	5,475.64
Net decrease in cash and cash equivalents	**666.86**	-	**666.86**
Cash and cash equivalents at the 1 April 2018	460.48	-	460.48
Cash and cash equivalents at the 31 March 2019	**1,127.34**	-	**1,127.34**

*The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements i.e. basis Division III of Schedule III for the purpose of this note. After reclassification, effect has been given for transition adjustments

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4 Reconciliation of the assets and liabilities presented in the balance sheet prepared as per Previous GAAP and as per Ind AS as at 31 March 2019:

Particulars	Note	Amount as per Previous GAAP*	Ind AS adjustment	Amount as per Ind AS
ASSETS				
Financial Assets				
Cash and cash equivalents		1,127 34	-	1,127.34
Bank balances other than cash and cash equivalents		1,512.80	-	1,512.80
Loans	1,3,5	29,310.32	(1,213.08)	28,097.24
Investments	6,5	4,128.43	(55.39)	4,073 04
Other financial assets	1,4,7	6 62	(1.22)	5.40
Non-financial Assets				
Current tax assets (net)		335.36	-	335.36
Deferred tax assets (net)	9	135.66	372.88	508.54
Property, plant and equipment	7	90 57	59.15	149.72
Other non-financial assets	7	37 46	1.08	38 54
Total		**36,684.56**	**(636.58)**	**35,847.98**
LIABILITIES AND EQUITY				
LIABILITIES				
Financial liabilities				
Trade payables				
total outstanding dues of micro enterprises and small enterprises		-	-	-
total outstanding dues of creditors other than micro enterprises and small enterprises		46.73	-	46 73
Debt securities	1,2	899.63	-	899.63
Borrowings (other than debt securities)	1,2	16,123.09	71.11	16,194.20
Other financial liabilities		125.46	-	125.46
Non-financial liabilities				
Provisions		62.06	-	62.06
Other non-financial liabilities		15 56	-	15.56
EQUITY				
Equity share capital		9,761.98	-	9,761.98
Other equity		9,650 05	(907.69)	8,742.36
Total		**36,684.56**	**(636.58)**	**35,847.96**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

5 Reconciliation of statement of profit and loss prepared as per Previous GAAP and as per Ind AS for the year ended 31 March 2019

Particulars	Note	Amount as per Previous GAAP*	Ind AS adjustment	Amount as per Ind AS
Revenue				
Revenue from operations				
Interest income	1,3	5,131.27	(27.30)	5,103.97
Net gain on fair value changes	6	13 85	(1 72)	12 13
Total revenue from operations		5,145.12	(29.02)	5,116.10
Expenses				
Finance costs	1,2	1,616 50	19 70	1,636 20
Impairment on financial instruments	5	340 18	(104.88)	235.30
Employee benefits expenses	1,7	422.18	(22 05)	400 13
Depreciation expense	7	34 92	52 00	86 92
Other expenses	1,5	605.05	(28.00)	577.05
Total expenses		3,018.83	(83.23)	2,935.60
Profit before tax		**2,126.29**	**54.21**	**2,180.50**
Tax expense				
Current tax		616.16	-	616.16
Deferred tax (credit)/ charge	9	(12.90)	15.80	2.90
Total tax expense		**603.26**	**15.80**	**619.06**
Profit for the year		**1,523.03**	**38.41**	**1,561.44**
Other comprehensive income, net of tax				
Items that will not be reclassified to profit or loss				
Remeasurement gains on defined benefit plans	8	-	7.17	7.17
Income tax relating to remeasurement gains on defined benefit plans	9	-	(2.09)	(2.09)
Other comprehensive profit for the year		-	**5.08**	**5.08**
Total comprehensive profit for the year		**1,523.03**	**43.49**	**1,566.52**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note

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WALKER CHANDIOK & CO LLP ★ CHARTERED ACCOUNTANTS

VENUS INDIA ASSET-FINANCE New Delhi

6 **Reconciliation of the assets and liabilities presented in the balance sheet prepared as per Previous GAAP and as per Ind AS as at 1 April 2018:**

Particulars	Note	Amount as per Previous GAAP*	Ind AS adjustment	Amount as per Ind AS
ASSETS				
Financial Assets				
Cash and cash equivalents		460.48	-	460.48
Bank balances other than cash and cash equivalents		1,117.72	-	1,117.72
Loans	1,3,5	26,007.21	(1,248.59)	24,758.62
Investments	6,5	1,646.65	(95.35)	1,551.30
Other financial assets	1,4,7	5.22	(0.73)	4.49
Non-financial Assets				
Current tax assets (net)		51.60	-	51.60
Deferred tax assets (net)	9	122.76	390.77	513.53
Property, plant and equipment	7	102.96	102.28	205.24
Other non-financial assets	7	10.83	28.08	38.91
Total		**29,525.43**	**(823.54)**	**28,701.89**
LIABILITIES AND EQUITY				
LIABILITIES				
Financial liabilities				
Trade payables				
total outstanding dues of micro enterprises and small enterprises		-	-	-
total outstanding dues of creditors other than micro enterprises and small enterprises		56.80	-	56.80
Debt securities	1,2	806.90	-	806.90
Borrowings (other than debt securities)	1,2	8,801.46	127.64	8,929.10
Other financial liabilities		151.19	-	151.19
Non-financial liabilities				
Provisions		50.81	-	50.81
Other non-financial liabilities		17.27	-	17.27
EQUITY				
Equity share capital		10,180.28	-	10,180.28
Other equity		9,460.72	(951.18)	8,509.54
Total		**29,525.43**	**(823.54)**	**28,701.89**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

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Venus India Asset-Finance Private Limited
Summary of significant accounting policies and other explanatory notes for the year ended 31 March 2020
(All amounts are in lakhs, unless stated otherwise)

Note - 1
Financial assets and liabilities accounted for at amortised cost
Under previous GAAP, all financial assets and financial liabilities were carried at cost.

Under Ind AS, certain financial assets and financial liabilities are initially recognised at fair value and subsequently measured at amortised cost which involves the application of effective interest / amortisation cost method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the fair value amount on the date of recognition of financial asset or financial liability.

Note - 2
Borrowings
Under previous GAAP, transaction costs incurred towards origination of borrowings were charged to statement of profit and loss on straight-line basis over the period of borrowing. Under Ind AS, such transaction costs are netted off from the carrying amount of borrowings on initial recognition. These transactions costs are then recognized in the statement of profit and loss over the tenure of the such borrowings as part of the interest expense by applying the effective interest rate method.

Note - 3
Loan assets
Under previous GAAP, transaction costs received towards origination of loan assets were charged to statement of profit and loss Under Ind AS, such transaction costs are adjusted from the carrying amount of loans on initial recognition. These transactions costs are then recognised in the statement of profit and loss over the tenure of the such loans as part of the interest income by applying the effective interest rate method.

Note - 4
Security deposit paid
Under previous GAAP, security deposits were initially recognised at transaction price. Subsequently, finance income was recognised based on contractual terms, if any Under Ind AS, such security deposits are initially recognised at fair value and subsequently carried at amortised cost determined using the effective interest rate. Any difference between transaction price and fair value is recognised in statement of profit and loss unless it quantifies for recognition as some other type of asset

Note - 5
Impairment of financial instruments
Under previous GAAP, the Company has created impairment allowance on financial instruments basis the provisioning norms prescribed by Reserve Bank of India ('RBI'). Under Ind AS, impairment allowance has been determined based on expected credit loss ('ECL') model .

Note - 6
Financial instruments carried at fair value through profit and loss
Under previous GAAP, investments in mutual funds were carried at cost or market value whichever is lower. Under Ind AS, such investments are carried at fair value through profit or loss (FVTPL).

Note - 7
Ind AS 116 Leases
The Company has adopted Ind AS 116 w.e.f. April 1, 2018 where the Company has recognised right-of-use asset and related lease liability in connection with all former operating leases except for those identified as low-value or having a remaining lease term of less than 12 months from the date of initial application.

The Company has applied Ind AS 116 using modified retrospective approach, where right-to-use asset is measured equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments existed at the date of transition.

Note - 8
Other Comprehensive income
Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes re-measurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP

Note - 9
Tax impact on adjustments
Under previous GAAP, deferred tax was accounted using the income statement approach, on the timing differences between the taxable profit and accounting profits for the period.

Under Ind AS, deferred tax is recognized following balance sheet approach on the temporary differences between the carrying amount of asset or liability in the balance sheet and its tax base. In addition, various transitional adjustments has also lead to recognition of deferred taxes on new temporary differences.

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VENUS INDIA ASSET-FINANCE PVT. LTD. New Delhi

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42 The COVID-19, declared as pandemic by World Health Organization (WHO) on 11 March 2020, is continuing to spread across the world and India. Besides its impact on human life, it has caused disruption in the social, economic and financial system of the world. Since March 2020, the Indian Government has announced a 21 days nationwide lockdown which has been extended in multiple tranches till 31 May 2020 with relaxation to essential services and selected economic activities. This has led to significant disruptions and dislocations for individuals and businesses, impacting Company's regular operations including lending and collection activities. Effective from 1 June 2020, the Government has allowed resumption of economic activities with strict compliance of social distancing norms etc. in selected geographies. Pursuant to relaxation in the lockdown rules, the Company have recommenced its operations.

In accordance with Reserve Bank of India ('RBI') guidelines in relation to COVID-19 Regulatory Package dated 27 March 2020 and 17 April 2020, the Company has granted a moratorium for three months on the payments of installments falling due between 1 March 2020 to 31 May 2020, to all eligible borrowers. For all such accounts where moratorium is granted, prudential assets classification shall remain stand still during the moratorium period, based on position as on 29 February 2020 (i.e., the number of days past due shall exclude the period of moratorium for the purpose of asset classification). In addition, management has considered various stimulus packages announced by the Government of India which will directly or indirectly benefit NBFC Companies, current status/outcomes of discussions with the Company's lenders to seek financial support from banks and financial institutions in determining the Company's liquidity position over the next 12 months from the end of reporting period. Based on the foregoing, current liquidity position and necessary stress tests considering various scenarios, management is confident that the Company will be able to fulfill its obligations as and when these become due in the foreseeable future.

Based on the available information from internal and external sources, the Company has used prudent judgements, estimates and possible forward looking scenarios to assess the impact of pandemic on the provisions in accordance with the expected credit loss (ECL) method on financial assets. The extent to which the COVID-19 pandemic will impact the Company's operations and financial matrices including expected credit losses on financial assets will depend on future developments which are uncertain.

43 Contingent liabilities

1

Particulars	**For the year ended 31 March 2020**	**For the year ended 31 March 2019**
Income tax matters - Assessment year 2017-18 (Refer note below)	208.07	-

Note:
On 10 January 2020, the Assesssing Officer ('AO') has uploaded in Income Tax Business Application (ITBA) demand amounting to Rs. 208.07 lakhs under section 220(2) of the Income Tax Act, 1961 for assessment year 2017-18. In response to such notice, the Company has filed rectification application before AO. In the opinion of the management, wrong demand has been uploaded in ITBA by AO as assessment order under section 143(3) issued dated 30 December 2019 shows nil demand. The management believes that the assessment proceeding when concluded will not have a material effect on the financial position of the Company.

2 There are issues relating to the application of the Honourable Supreme Court's (SC) judgement dated 28 February 2019 on Provident Fund. The management is examining these issues to identify the potential effects, if any, on compliance with the Provident Fund Act, 1952.

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VENUS INDIA ASSET-FINANCE PVT. LTD. ★ New Delhi

WALKER CHANDIOK & CO LLP ★ CHARTERED ACCOUNTANTS

(All amounts are in lakhs, unless stated otherwise)

44. Disclosure as required in terms of paragraph 19 of Master Direction - Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 :

Liabilities side

(1) Loans and advances availed by non-banking financial Company inclusive of interest accrued thereon but not paid

Particulars	As at 31 March 2020		As at 31 March 2019		As at 01 April 2018	
	Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
a. Debentures:						
- Secured	501.86	-	899.63	-	806.90	-
- Unsecured (other than falling within the meaning of public deposits)	-	-	-	-	-	-
b. Deferred credits	-	-	-	-	-	-
c. Term loans	5,954.63	-	8,647 79	-	3,592.22	-
d. Inter corporate loans and borrowing	-	-	-	-	-	-
e. Commercial paper	-	-	-	-	-	-
f. Public deposits	-	-	-	-	-	-
g. Others (loan repayble on demand from banks)	4,825.44	-	7,484.63	-	5,235.33	-

Assets side

(2) Break up of loans and advances (gross) including bills receivable (Other than those included in 3 below)

Particulars	As at 31 March 2020	As at 31 March 2019	As at 01 April 2018
a. Secured*	29,462.71	33,566.22	27,742.50
b. Unsecured **	24.80	3.80	5.78

* This includes term loans (including interest accrued) and investment in debt securties (including interest accrued).

** Security deposit and prepaid expenses have not been included above

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VENUS INDIA ASSET-FINANCE PVT. LTD.
New Delhi

WALKER CHANDIOK & CO LLP
CHARTERED ACCOUNTANTS

(All amounts are in lakhs, unless stated otherwise)

44. Disclosure as required in terms of paragraph 19 of Master Direction - Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 : (Cont'd)

(3) Breakup of leased assets and stock on hire and others assets counting towards asset financing activities

Particulars	As at 31 March 2020	As at 31 March 2019	As at 01 April 2018
i. Leased assets including lease rentals under Sundry debtors			
a. Financial lease	-	-	-
b. Operating lease	-	-	-
ii. Stock on hire including hire charges under Sundry debtors			
a. Assets on hire	-	-	-
b. Repossessed assets	-	-	-
iii. Other loans counting towards AFC activities			
a. Loans where assets have been repossessed	-	-	-
b. Loans other than (a) above	-	-	-

(4) Break up of investments:

Particulars	As at 31 March 2020	As at 31 March 2019	As at 01 April 2018
Current investments :			
I. <u>Quoted</u>			
a. Shares : (a) Equity	-	-	-
(b) Preference	-	-	-
b. Debentures and bonds	-	-	-
a. Units of mutual funds	-	-	-
d. Government Securities	-	-	-
e. Others	-	-	-
II. <u>Unquoted</u>	-	-	-
a. Shares : (a) Equity	-	-	-
(b) Preference	-	-	-
b. Debentures and bonds	-	-	-
c. Units of mutual funds	52.20	49.21	93.36
d. Government Securities	-	-	-
e. Non-convertible debentures (net)	1,672.20	609.58	982.31
Long term investments:			
I. <u>Quoted</u>			
a. Shares : (a) Equity	-	-	-
(b) Preference			
b. Debentures and bonds	-	-	-
c. Units of mutual funds	-	-	-
d. Government Securities	-	-	-
e. Others	-	-	-
II. <u>Unquoted</u>			
a. Shares : (a) Equity	-	-	-
(b) Preference	-	-	-
b. Debentures and bonds	-	-	-
c. Units of mutual funds	-	-	-
d. Government Securities	-	-	-
e. Non-convertible debentures (net)	2,527.80	3,414.25	475.63

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Venus India Asset-Finance Pvt. Ltd. New Delhi

Walker Chandiok & Co LLP Chartered Accountants

Venus India Asset-Finance Private Limited
Summary of the significant accounting policies and other explanatory information for the year ended 31 March 2020
(All amounts are in lakhs, unless stated otherwise)

44. Disclosure as required in terms of paragraph 19 of Master Direction - Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 : (Cont'd)

(5) Borrower group wise classification of assets financed as in 2 and 3 above:

Category	Amount as at 31 March 2020 (Gross)*			Amount as at 31 March 2019 (Gross)*			Amount as at 1 April 2018 (Gross)*		
	Secured	Unsecured	Total	Secured	Unsecured	Total	Secured	Unsecured	Total
I. Related parties									
a. Subsidiaries	-	-	-	-	-	-	-	-	-
b. Companies in the same group	-	-	-	-	-	-	-	-	-
c. Other related parties	-	17.83	17.83	-	-	-	-	-	-
II. Other than related parties	29,462.71	6.97	29,469.68	33,566.22	3.80	33,570.02	27,742.50	5.78	27,748.28
Total	29,462.71	24.80	29,487.51	33,566.22	3.80	33,570.02	27,742.50	5.78	27,748.28

* This includes loan assets (including interest accrued) and investment in debt securities (including interest accrued).

(6) Investor group wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)

Category	As at 31 March 2020		As at 31 March 2019		As at 01 April 2018	
	Market value / Break up of fair value or NAV	Book value (Net of provisions)	Market value / Break up of fair value or NAV	Book value (Net of provisions)	Market value / Break up of fair value or NAV	Book value (Net of provisions)
I. Related parties						
a. Subsidiaries	-	-	-	-	-	-
b. Companies in the same group	-	-	-	-	-	-
c. Other related parties	-	-	-	-	-	-
II. Other than related parties	4,226.61	4,252.20	4,013.80	4,073.04	1551.30	1,551.30
Total	4,226.61	4,252.20	4,013.80	4,073.04	1,551.30	1,551.30

(7) Other information

Particulars	As at 31 March 2020	As at 31 March 2019	As at 01 April 2018
(i) Gross Non performing assets			
a. Related parties	-	-	-
b. Other than related parties	5,806.74	934.64	1,400.00
(ii) Net Non performing assets			
a. Related parties	-	-	-
b. Other than related parties	4,324.48	361.74	516.11
(iii) Assets acquired in satisfaction of debt	-	-	-

For Walker Chandiok & Co LLP
Chartered Accountants

Nitin Kohli
Partner
Membership No. 507771

WALKER CHANDIOK & CO LLP ★ CHARTERED ACCOUNTANTS

Place : New Delhi
Date : 24 June 2020

For and on behalf of the Board of Directors
Venus India Asset-Finance Private Limited

Gaurav Goel
Director
DIN No. 00076111

Nalin Kumar Gupta
Director
DIN No. 01670036

VENUS INDIA ASSET-FINANCE PVT. LTD. New Delhi ★

Anurag Garg
Chief Financial Officer
PAN No. AATPG8459J

Indu Singh
Company Secretary
Membership No. A39681

Place : Noida
Date : 24 June 2020

Place : Noida
Date : 24 June 2020

VENUS INDIA
Asset-Finance Pvt. Ltd.

Annexure 7 (a)

22 **JULY 2020**

TO WHOM SO EVER IT MAY CONCERN

I, Nalin Kumar Gupta, Director of Venus India Asset- Finance Private Limited, on behalf of the Board certify that as on June 30th 2020, the value of our Book Debts/Trade Receivables is Rs.61,40,73,288 /-

This certificate is issued for the compliance report for the quarter ending June 30th 2020, which is to be submitted to Vistra ITCL (India) Ltd.

For Venus India Asset-Finance Private Limited

NALIN KUMAR GUPTA
Digitally signed by NALIN KUMAR GUPTA
Date: 2020.07.21 16:16:00 +05'30'

VENUS INDIA ASSET-FINANCE PVT. LTD.
NEW DELHI

Nalin Kumar Gupta

Director

DIN: 01670036

Registered Office: 198/12-13, 2nd Floor, Ramesh Market, East of Kailash, New Delhi - 110065
Corporate Office: A1C, 1st Floor, Sector-16, Noida-201301, **Ph**: +91 120 4681234, **Fax**: +91 120 4681235
Email: info@venusfin.com; **Website**: www.venusfin.com, **CIN**: U65921DL1996PTC081630

10th ANNIVERSARY

Brickwork RATINGS

SEBI Registered
RBI Accredited
NSIC Empanelled

BWR/BLR/HO/SRC/MM/0587/2018-19

18 Dec 2018

Mr Saket Mishra,
Chief Executive Officer
Venus India Asset Finance Private Limited
A1C, 1st Floor, Sector 16, Noida - 201 301

Dear Sir,

Sub: Rating Review of **Venus India Asset Finance Private Limited's** NCD issue of ₹ 6.50 Crores with a tenor of 5 years

On review of **Venus India Asset Finance Private Limited's** performance based on the information and clarifications provided by your Company as well as information available in the public sources, we are pleased to inform you that the Brickwork Ratings (BWR) has reaffirmed the rating of the **Venus India Asset Finance Private Limited's NCD issue of ₹ 6.50 Crores** at **BWR BBB [Pronounced as BWR Triple B] (Outlook: Stable).** Instruments with this rating are considered to have **moderate degree of safety** regarding timely servicing of financial obligations. Such instruments carry **moderate credit risk.**

The Rating is valid till the maturity of the instrument and is subject to terms and conditions that were agreed in your mandate dated 23 Feb 2016, BWR letter Previous Reference number dated previous letter date and other correspondence, if any and Brickwork Ratings' standard disclaimer appended below. Brickwork would conduct surveillance periodically. Please note that Brickwork Ratings would need to be kept informed of any significant information/ development that may affect your Company's finances/ performance without any delay.

You are also requires to submit "No Default Statement" on a monthly basis.

Please acknowledge.

Best Regards,

Manjunatha MSR
Head - Ratings Administration

Note: Rating Rationale of all accepted Ratings are published on Brickwork Ratings website. All non-accepted ratings are also published on Brickwork Ratings web-site . Interested persons are well advised to refer to our website www.brickworkratings.com, If they are unable to view the rationale, they are requested to inform us on brickworkhelp@brickworkratings.com.

Brickwork Ratings India Pvt. Ltd.

3rd Floor, Raj Alkaa Park, Kalena Agrahara, Bannerghatta Road, Bengaluru - 560 076
Phone: +91 80 4040 9940 • Fax: +91 80 4040 9941 | info@brickworkratings.com • www.BrickworkRatings.com
Ahmedabad • Bengaluru • Chandigarh • Chennai • Guwahati • Hyderabad • Kolkata • Mumbai • New Delhi

Rating Rationale

Venus India Asset Finance Private Limited

Brickwork Ratings reaffirms the following rating assigned for Secured NCD issue of ₹ 6.5 Crs of Venus India Asset Finance Private Limited. (hereafter referred to as "VIAFPL" or the Company)

Particulars

Instrument	Previous Amount (Rs in Crs)	Present Amount (Rs in Crs)	Tenure	Previous Rating (Aug 2018)	Present Rating*
Secured NCD	6.5	6.5	Long Term	BWR BBB (Pronounced as BWR Triple B) (Outlook: Stable)	**BWR BBB** (Pronounced as BWR Triple B) **(Outlook: Stable)**
Total	6.5	6.5	INR Six Crores and Fifty Lakhs Only		

*Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

NCD Details:

Instrument	Issue Date	Coupon	Maturity Date	ISIN Particulars
Secured NCD	31-Mar-2016	12% P.A, Payable at redemption	31-Mar-2021	INE352PO7020

BWR also withdraws the following rating assigned to Bank loan facilities:

Facility	Previous Limits (Rs in Crs)	Present Limits (Rs in Crs)	Tenure	Previous Rating (Aug 2018)	Rating Withdrawn
Fund Based	50	50	Long Term	BWR BBB (Pronounced as BWR Triple B) (Outlook: Stable)	**BWR BBB** (Pronounced as BWR Triple B) **(Outlook: Stable)**
Total	50	50	INR Fifty Crores Only		

Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has principally relied upon the audited financial of the Company up to FY18, unaudited financial results of Q1FY19 and projected financials, publicly available information, and information/clarifications provided by the Company's management.

The rating reaffirmation takes into account the experienced Promoters & Management, improved financial risk profile of the company backed by continuous growth in its loan portfolio, moderate asset quality and adequate capitalization. The rating, however, is constrained by the inherent risks associated with asset backed financing, which includes loans against property and shares, low seasoning of portfolio and standard risks associated with NBFCs.

Description of Key rating drivers:

Credit Strengths:

Experienced Promoter and professional management: VIAFPL is promoted by Venus India Structured Finance Fund (VISFF), registered in Mauritius which owns 78.69% stake in VIAFPL and 17.53% stake is owned by Mr. Gaurav Goel, who is the Chairman of the company and is also Managing Director of Dhampur Sugar Mills Limited. The management is sper headed by Mr. Vikas Mehrotra is the Founder & Director of VIAFPL who has 25 years of experience in Finance Industry and Mr. Saket Mishra,. Chief Executive Officer, an Experienced banker. The company is supported by well qualified and experienced professionals looking after credit risk, marketing, collections, audit and other support functions.

Improved financial profile: Outstanding loan portfolio grew to Rs 279 Crs in FY18 from Rs.201 Crores Iin FY17 due to which the company reported better revenues from operations of Rs 38.96 crs and PAT of Rs 16.64 Crs in FY18 when compared to Rs 34.80 Crs and Rs 12.71 Crs respectively in FY17. Loan portfolio has further grew to Rs 317 Crs in Q1FY19.

Comfortable Capitalization and liquidity position: The company has low leverage (0.48x), and as on 31st Mar 2018, their CRAR stood at 68.02% and 61.52% as on 30 June 2018 as against RBI s stipulated minimum requirement of 15%. Company maintains adequate liquidity as demonstrated in its ALM profile which do not have any material cash flow mismatches in the short to medium term. Inflows from recovery, as projected, is a key monitorable.

Credit Risks:

Customer Concentration Risk: VIAFPL offers security based lending products, like promoter funding, margin financing, loan against securities, ESOP financing, IPO Funding, structured financing and real estate funding with large ticket size. Top 10 exposures as a percentage of total portfolio stood at.69% as on March 31, 2018, indicating concentration risk and any slippages from these standard accounts will have a material impact on the asset quality of the company and hence is a key rating sensitivity.

Moderate Asset quality: VIAFPLs asset quality has declined in FY18 mainly on account of slippage of a relatively larger account from standard to NPA. For FY18, GNPA and NNPA stood at 5.03% & 4.02% respectively as compared to GNPA & NNPA of 2.25% & 1.37% in FY17. However the asset quality has shown signs of improvement in Q1FY19 as GNPA & NNPA have marginally improved to 4.41% and 3.56% respectively. Since the company started its operations from FY14 onwards, portfolio is comparatively less seasoned and needs monitoring through business cycles.

Analytical Approach

VIAFPL is evaluated on the basis of its stand-alone financial strength. For arriving at its ratings, BWR has applied its rating methodology as detailed in the Rating Criteria detailed below (hyperlinks provided at the end of this rationale).

Rating Outlook: Stable

BWR believes VIAFPL's business risk profile will be maintained over the medium term. The 'Stable' outlook indicates a low likelihood of rating change over the medium term. Going forward, any major deterioration in asset quality and consequent decline in profitability would be the key rating sensitivities.

About the Company

Venus India Asset Finance Private Limited (VIAFPL) is registered with Reserve Bank of India (RBI) as a Non Deposit taking Non-Banking Financial Company (NBFC-ND) since October, 2000 and has its registered office in New Delhi. In March 2013, Venus India Structured Finance Fund (VISFF) and Goel Investment Limited took over the company and post change of ownership, the company is primarily engaged in venture debt finance/mezzanine lending/structured finance to small and growing businesses (SGBs) through a customized and comprehensive credit approach. VIAFPL offers security based lending products, like promoter funding, margin financing, loan against securities, ESOP financing, IPO Funding, structured financing and real estate funding.

Company Financial Performance

During FY18, the company's outstanding loan portfolio grew to Rs 279 Crs as against Rs 201 Crores in FY18. Its entire loan book is secured. For FY18, the company reported Net Operating Income of Rs 32.36 Crs and PAT of Rs 16.63 Crs as compared to Rs 28.11 Crs and PAT of Rs 12.49 Crs. As on 31 Mar 2018, the company has TNW of Rs 196 Crs with a comfortable gearing of 0.48x

Key Financial Figures:

Financial Ratios	FY16 (A)	FY17 (A)	FY18 (A)
Loan Portfolio (Rs. Cr)	166	201	279
Gross NPA %	2.91	2.25	5.03
Net NPA %	2.36	1.37	4.02
Net Interest Income (Rs. Cr)	19.34	28.06	32.30
PAT (Rs. Cr)	11.1	12.48	16.63
Net Interest Margin (NIM)	13.60	14.94	13.46
Tangible Net Worth (Rs. Cr)	127	180	196
CRAR	70.15	84.52	68.02

Rating History for the last three years

Sl. No.	Instrument/ Facility	Current Rating (Dec 2018) Rs in Crs		Rating History		
				2017	2016	2015
1	Secured NCD	6.5	BWR BBB (Outlook: Stable)	BWR BBB Outlook: Stable	BWR BBB- Outlook: Stable	NA
2	Bank loan	50	Withdrawn	BWR BBB Outlook: Stable	BWR BBB- Outlook: Stable	NA

Hyperlink/Reference to applicable Criteria

- General Criteria
- Approach to Financial Ratios
- Banks & Financial Institutions

For any other criteria obtain hyperlinks from website

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For print and digital media

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Note on complexity levels of the rated instrument:

BWR complexity levels are meant for educating investors. The BWR complexity levels are available at www.brickworkratings.com/download/ComplexityLevels.pdf Investors queries can be sent to info@brickworkratings.com.

About Brickwork Ratings

Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, has also been accredited by RBI and empaneled by NSIC, offers Bank Loan, NCD, Commercial Paper, MSME ratings and grading services. NABARD has empaneled Brickwork for MFI and NGO grading. BWR is accredited by IREDA & the Ministry of New and Renewable Energy (MNRE), Government of India. Brickwork Ratings has Canara Bank, a Nationalized Bank, as its promoter and strategic partner.

BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Guwahati, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations. BWR has rated debt instruments/bonds/bank loans, securitized paper of over ₹ 10,00,000 Cr. In addition, BWR has rated over 6300 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹24,440 Cr have been rated.

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