



KEY FACT STATEMENT (KFS)

VENUS INDIA ASSET FINANCE PRIVATE LIMITED

KEY FACT STATEMENTS

INTRODUCTION

Venus India Asset Finance Private Limited “The Company/Venus” provides a Key Fact Statement (KFS) to all prospective borrowers to help them take an informed view before executing the facility documents, as per the standardised format given in the Annexure A.

Each Borrower/Intending Borrower is expected to comprehend the points/contents enumerated hereinafter, which have universal applicability and shall bind each Borrower, Guarantor and/or Mortgagor/Security Provider. The present Key Fact Statement shall be considered as supplementary to the terms, conditions and covenants, as envisaged in the “Facility Documents”, that are/shall be expressly executed in respect of each loan, sanctioned and disbursed by the Company.

I. PENAL CHARGES

The Company will mention and communicate penal charges charged for late repayment in bold in the Sanction letter and Facility documents. Any penal charges being levied on the customers will be based on the outstanding amount of the loan and the rate of such penal charges will be disclosed directly on an annualized basis to the customer in the Facility documents executed between the parties, thereby standardising the rate of such penal charges being levied.

II. SMA AND NPA NORMS

Special Mention Accounts (SMA) - These are those assets/accounts that show symptoms of sub-standard asset/account in the first 30 days itself or before it's being identified as NPA. The classification of Special Mention Accounts (SMA) was introduced by the RBI in 2014, to identify those accounts that have the potential to become an NPA/Stressed Asset.

Venus shall recognize incipient stress in loan accounts, immediately on default, by classifying such assets as special mention accounts (SMA) as per the categories specified below:

SMA Subcategories	Basis for classification- Principal or interest payment or any other amount wholly or partly overdue
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SMA-0	Upto 30 days
SMA-1	More than 30 days and upto 60 days
SMA-2	More than 60 days and upto 150 days

The period of SMA-2 shall be adjusted as per the above SMA-Table. The above instructions on SMA classification of borrower accounts are applicable to all loans, including retail loans, irrespective of size of exposure of the lending institution.

Non-performing asset (NPA)- NPA is a debt instrument where the borrower has not made any previously agreed upon interest and principal repayments to the designated lender for an extended period of time. The non-performing asset is, therefore, not yielding any income to the lender in the form of interest payments.

A glide path is provided to adhere to the NPA norm as under –

NPA Norms (Basis for classification- Principal or interest payment or any other amount wholly or partly overdue)	Timeline
>150 days overdue	By March 31, 2024
>120 days overdue	By March 31, 2025
> 90 days	By March 31, 2026

ILLUSTRATION:

If due date of a loan account is March 31, 2024, and full dues are not received before the lending institution runs the day end process for this date, the date of overdue shall be March 31, 2024. If it continues to remain overdue, then this account shall get tagged as SMA-1 upon running day-end process on April 30, 2024 i.e. upon completion of 30 days of being continuously overdue. Accordingly, the date of SMA-1 classification for that account shall be April 30, 2024.

Similarly, if the account continues to remain overdue, it shall get tagged as SMA-2 upon running day-end process on August 27, 2024 and if continues to remain overdue further, it shall get classified as NPA upon running day-end process on August 28, 2024.

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Status	DPD	Illustration 1	Illustration 2	Illustration 3	Illustration 4 (Leap year)
*Due date/Overdue (if not paid)	1 day	05-02-24	03-06-24	15-01-25	15-01-28
SMA-1	31 days	07-03-24	03-07-24	14-02-25	14-02-28
SMA-2	150 days	04-07-24	30-10-24	13-06-25	12-06-28
#Non-Performing Asset	151 days	05-07-24	31-10-24	14-06-25	13-06-28

* Any amount due to the lender under any credit facility is 'overdue' if it is not paid on the due date fixed by the Lender. If there is any overdue in an account, the default/ non-repayment is reported with the credit bureau companies like CIBIL etc. And the CIBIL report of the customer will reflect defaults and its classification status.

Once an account is classified as NPAs then it shall be upgraded as 'standard' asset only if entire arrears of interest and principal are paid by the borrower.

III. Annual Percentage Rate (APR)

The Annual Percentage Rate (APR) is a crucial figure that represents the total cost of borrowing over the course of a year, expressed as a percentage. It includes not only the nominal interest rate (the cost of borrowing) but also takes into account any additional fees or charges associated with the credit. This allows borrowers to fully understand the total expense they will incur when using a credit facility, providing a clearer picture of their financial commitment.

In the case of Venus, the APR is determined by two different methodologies: **Rate of Interest (ROI)** and **Internal Rate of Return (IRR)**. Each of these methods accounts for different aspects of the borrowing arrangement and may result in varying APR values.

1. APR Based on the Rate of Interest (ROI)

- The base interest rate is 13%¹. This is the fundamental cost of borrowing, which is the primary rate charged on the loan amount.

¹ The ROI is determined in accordance with the prevailing terms, and is subject to annual revision

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- In addition to this, there is an extra **2% to 7%** added to the rate, depending on specific terms or conditions associated with the credit. This additional charge could vary based on factors like loan amount, repayment schedule, or borrower risk profile.

2. **APR Based on the Internal Rate of Return (IRR)**

The IRR method is often used for more sophisticated financial assessment. This is a slightly higher starting point compared to the ROI-based APR.

The ROI and IRR calculations aim to give the borrower a full picture of the cost of borrowing, with the specific methodology chosen depending on the type of credit being offered and the level of financial complexity involved.

For a more detailed breakdown and specific examples of how the APR is calculated, please refer to **Annexure B**, which provides comprehensive illustrations of the various factors and their impact on the APR.

IV. **RELEASE OF PROPERTY PAPERS**

Applicability:

The following procedure will be followed by Venus under the below-mentioned conditions:

- A. Demise of the Sole Borrower in a loan account provided by Venus, or
- B. Demise of all Borrowers/Co-Borrowers in a loan account provided by Venus.

This procedure shall be initiated only after the full repayment of outstanding dues of the loan(s) provided by Venus to the deceased Borrower(s) is received by Venus.

Procedure for return of original movable/immovable property documents to the Legal heirs in the event of demise of the sole borrower or co-borrowers shall be done as per procedure defined below:

Process for release of Original Property documents of the deceased borrower(s) to the legal heirs

based on the credit lines provided by the banks.

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Process for release of Original Property documents of the deceased borrower(s) to the legal heirs	
1.	Copy of Death Certificate- To be verified with the Original Death Certificate.
2.	Identify Nominee from the Nomination form or In case Nomination not available, documents to be released to legal heir.
3.	Notarized Legal Heir Affidavit to be taken from all the legal heirs of the deceased Property Owner
4.	KYC Documents of Nominee/all legal heirs- To be verified with the Originals
5.	Authority Letter / POA executed by other legal heirs in favour of one of the legal heir/Nominee to collect the original property papers.
6.	Consent Letter given by all other Co-Borrower/s to handover the original property papers to Nominee/ legal heir of the deceased Property Owner.
7.	Acknowledgement should be taken on the List of Documents handed over to the Nominee/ legal heir of the deceased Property Owner confirming the collection of original property papers.

Compensation for delay in release of movable/immovable property documents:

In case of delay in releasing of original movable/immovable property documents or failing to file charge satisfaction form with relevant registry beyond 30 days after full repayment/settlement of loan, Venus shall communicate to the borrower reasons for such delay. Only in case where the delay is attributable to Venus, it shall compensate the borrower.

In case of loss/damage to original movable/immovable property documents, either in part or in full, Venus shall assist the borrower in obtaining duplicate/certified copies of the movable/immovable property documents and shall bear the associated costs, in addition to paying compensation. However, in such cases, an additional time of 30 days will be available to complete this procedure and the delayed period penalty will be calculated thereafter (i.e., after a total period of 60 days).

V. LEGAL ENTITY IDENTIFIER FOR BORROWER

Non-individual borrowers enjoying aggregate exposure of ₹5 crore and above from banks and financial institutions (FIs) shall be required to obtain LEI codes as per the timeline given below:

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Total Exposure	LEI to be obtained on or before
Above ₹25 crore	April 30, 2023
Above ₹10 crore and up to ₹25 crore	April 30, 2024
₹5 crore and above and up to ₹10 crore	April 30, 2025

I/We hereby confirm that we have read and understood the contents of the present key fact statement (KFS) and shall remain bound by the same.

For [Name of the company]

Authorised Signatory

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Annexure A

Key Facts Statement

Part 1 (Interest rate and fees/charges)

1	Loan proposal/ account No.		Type of Loan		
2	Sanctioned Loan amount (in Rupees)				
3	Disbursal schedule (i) Disbursement in stages or 100% upfront. (ii) If it is stage wise, mention the clause of loan agreement having relevant details				
4	Loan term (year/months/days)				
5	Instalment details				
	Type of instalments	Number of EPIs	EPI (₹)	Commencement of repayment, post sanction	
6	Interest rate (%) and type (fixed or floating or hybrid)				
7	Additional Information in case of Floating rate of interest				
Referenc e Benchma rk	Benchma rk rate (%) (B)	Spread (%) (S)	Final rate (%) R = (B) + (S)	Reset periodicit y ² (Months)	Impact of change in the reference benchmark (for 25 bps change in 'R', change in: ³)
				B S	EPI (₹) No. of EPIs
8	Fee/ Charges ⁴				
		Payable to the RE (A)		Payable to a third party through RE (B)	
		One-time/ Recurri ng	Amount (in ₹) or Percenta ge (%) as applicabl e ⁵	One-time/ Recurri ng	Amount (in ₹) or Percentage (%) as applicable ⁵
(i)	Processing fees				
(ii)	Insurance charges				
(iii)	Valuation fees				
(iv)	Any other (please specify)				
9	Annual Percentage Rate (APR) (%) ⁶				
10	Details of Contingent Charges (in ₹ or %, as applicable)				
(i)	Penal charges, if any, in case of delayed payment				

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(ii)	Other penal charges, if any	
(iii)	Foreclosure charges, if applicable	
(iv)	Charges for switching of loans from floating to fixed rate and vice versa	
(v)	Any other charges (please specify)	

Part 2 (Other qualitative information)

1	Clause of Loan agreement relating to engagement of recovery agents	
2	Clause of Loan agreement which details grievance redressal mechanism	
3	Phone number and email id of the nodal grievance redressal officer ⁷	
4	Whether the loan is, or in future maybe, subject to transfer to other REs or securitisation (Yes/ No)	
5	In case of lending under collaborative lending arrangements (e.g., co-lending/ outsourcing), following additional details may be furnished:	
	Name of the originating RE, along with its funding proportion	Name of the partner RE along with its proportion of funding
		Blended rate of interest
6	In case of digital loans, following specific disclosures may be furnished:	
(i)	Cooling off/look-up period, in terms of RE's board approved policy, during which borrower shall not be charged any penalty on prepayment of loan	
(ii)	Details of LSP acting as recovery agent and authorized to approach the borrower	

Annexure B

Illustration for computation of APR for Retail and MSME loans

Sr. No.	Parameter	Details
1	Sanctioned Loan amount (in Rupees) (SI no. 2 of the KFS template — Part 1)	20,000
2	Loan Term (in years/ months/ days) (SI No.4 of the KFS template — Part 1)	
a)	No. of instalments for payment of principal, in case of non-equated periodic loans	-
b)	Type of EPI Amount of each EPI (in Rupees) and nos. of EPIs (e.g., no. of EMIs in case of monthly instalments) (SI No. 5 of the KFS template – Part 1)	Monthly 970 24
c)	No. of instalments for payment of capitalised interest, if any	-
d)	Commencement of repayments, post sanction (SI No. 5 of the KFS template — Part 1)	30 days
3	Interest rate type (fixed or floating or hybrid) (SI No. 6 of the KFS template — Part 1)	Fixed
4	Rate of Interest (SI No. 6 of the KFS template – Part 1)	15 %
5	Total Interest Amount to be charged during the entire tenor of the loan as per the rate prevailing on sanction date (in Rupees)	3,274
6	Fee/ Charges payable ⁸ (in Rupees)	400
A	Payable to the RE (SI No.8A of the KFS template-Part 1)	240
B	Payable to third-party routed through RE (SI No.8B of the KFS template — Part 1)	160
7	Net disbursed amount (1-6) (in Rupees)	19,600
8	Total amount to be paid by the borrower (sum of 1 and 5) (in Rupees)	23,274 ⁹
9	Annual Percentage rate- Effective annualized interest rate (in percentage) ¹⁰ (SI No.9 of the KFS template-Part 1)	17.07%
10	Schedule of disbursement as per terms and conditions	Detailed schedule to be provided
11	Due date of payment of instalment and interest	DDMMYYYY

⁸ Where such charges cannot be determined prior to sanction, REs may indicate an upper ceiling

⁹ The difference in repayment amount calculated from the total of instalments given under the detailed repayment schedule i.e., ₹23,280 (=970*24) vis-à-vis the amount of ₹23,274 (₹20,000 (loan amount) + ₹3,274 (Interest charges) mentioned under (8) is due to rounding off the instalment amount of ₹969.73 to ₹970 under the detailed repayment schedule

¹⁰ Computed on net disbursed amount using IRR approach and reducing balance method