VASTU FINSERVE INDIA PRIVATE LIMITED

ANNUAL REPORT

FINANCIAL YEAR 2019-2020

VASTU FINSERVE INDIA PRIVATE LIMITED

BOARD'S REPORT

Dear Members,

Your Directors have pleasure in presenting the Second Annual Report on the business and operations of the Company together with the Audited Financial Statements and the Report of the Auditors for the financial year ended March 31, 2020.

1. **FINANCIAL PERFORMANCE:**

The financial performance of your Company for the year ended March 31, 2020, is as summarised below:

(Amount in INR in lakhs)

Particulars	**2019-20**	**2018-19**
Revenue from Operations	160.67	-
Other Income	2.08	5.42
Total Revenue	**162.74**	**5.42**
Profit/Loss before Finance Cost, Depreciation and Taxation	(155.99)	0.97
Less: Finance Cost	11.33	0.01
Less: Depreciation and Amortisation expense	30.68	0.67
Profit/Loss Before Tax	**(198.00)**	**0.29**
Less: Tax expense	(2.75)	0.15
Profit/Loss After Tax	**(195.24)**	**0.14**

2. **OPERATIONAL HIGHLIGHTS:**

Particulars	**2019-20**
Number of branches	11
Number of borrowers	33
Amount Sanctioned (INR in Lakhs)	373.50
Amount disbursed (INR in Lakhs)	352.50
Amount outstanding (INR in Lakhs)	349.47

3. **BUSINESS OVERVIEW:**

The Directors have pleasure in informing you that your Company has received the Certificate of Registration as a Non-Deposit taking Non-Banking Financial Company from Reserve Bank of India on April 22, 2019. Your Company currently operates from its Registered office and 11 branches in the states of Maharashtra, Rajasthan and Madhya Pradesh and has an employee base of over 50 employees.

Your Company has commenced its operations post receipt of NBFC license and has incurred losses on accounts of payment of various incorporation expenses during the year under review.

(a) Income

Your Company's revenue from operations for the current year was INR 160.67 Lakhs.

(b) Profit/Loss before Tax

Your Company's Loss before tax for the current year was INR 198 Lakhs as against the Profits of INR 0.29 Lakhs in the previous year.

(c) Profit/Loss after Tax

Your Company's Loss after tax for the current year was INR 195.24 Lakhs as against the Profits INR 0.14 Lakhs in the previous year.

4. INDIAN ACCOUNTING STANDARDS (IND AS):

Being a Wholly Owned Subsidiary of Vastu Housing Finance Corporation Limited, your Company has adopted the Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 from April 01, 2019, and the effective date of such transition is September 28, 2018. Such transition has been carried out from the erstwhile Accounting Standards notified under the Companies Act, 2013, read with relevant rules issued thereunder and guidelines issued by the Reserve Bank of India ('RBI') (collectively referred to as 'the Previous GAAP').

5. DIVIDEND:

In view of loss incurred by the Company, your Directors do not recommend any dividend for the period ended March 31, 2020.

6. TRANSFER TO RESERVES:

The Company has suffered a loss during the year under review. The debit balance of Profit & Loss Account has been transferred to the Balance Sheet under the head Reserves & Surplus.

7. REVISION OF FINANCIAL STATEMENTS:

There was no revision of Financial Statements during the year under review.

8. CREDIT RATING:

During the year under review, CRISIL has rated the Company's Bank Loan Facilities of INR 250 Crores at **"A/Stable"** on June 07, 2019. The rating indicates an adequate degree of safety.

9. CHANGE IN NATURE OF BUSINESS:

There was no change in the nature of business of the Company.

10. MATERIAL CHANGES AND COMMITMENTS, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR & THE DATE OF REPORT:

There are no material changes and commitments, affecting the financial position of your Company, which have occurred between the end of the financial year of the Company, i.e. March 31, 2020, and the date of this Board's Report, i.e. April 29, 2020.

11. SHARE CAPITAL:

During the financial year under review, pursuant to the approval of the Members of the Company, the Authorized Share Capital of the Company was increased from INR 2.50 Crores to INR 100 Crores on July 31, 2019.

During the financial year under review, the Board of Directors of the Company at their meeting held on July 31, 2019, approved issuance of up to 9,75,00,000 Rights issue equity shares of INR 10/- each at an exercise price of INR 10/- each and out of that 5,00,00,000 were offered to the existing members of the Company vide offer letters dated September 06, 2019. 5,00,00,000 shares were allotted to the members on September 13, 2019.

Share Capital structure of the Company as on March 31, 2020, is as follows:

	(Amount in INR in Lakhs)
Authorised Capital:	
10,00,00,000 Equity Shares of INR 10/- each	10,000.00
Issued, subscribed and paid-up Share Capital:	
5,25,00,000 Equity Shares of INR 10/- each	5,250.00

Your Company has neither issued sweat equity shares nor equity shares with differential rights and as on March 31, 2020.

Your Company has not issued any convertible instruments.

During the year under review, your Company has not granted any Employee Stock Options to the Directors and employees of the Company.

Capital Adequacy Ratio (CAR):

As on March 31, 2020, your Company's total CAR, calculated in line with RBI regulations, stood at 108.78 per cent well above the regulatory minimum of 15 per cent; of this, Tier I CAR was 108.74 per cent.

12. DETAILS OF HOLDING, SUBSIDIARY, ASSOCIATE AND JOINT VENTURE COMPANIES:

Pursuant to Section 2(46) of the Companies Act, 2013, Vastu Housing Finance Corporation Limited is the Holding Company of the Company as it holds 100% stake in the Company.

During the year under review, the Company did not have any Subsidiary, Joint Venture or Associate Company and there were no companies which became or ceased to be the Company's Subsidiary, Joint Venture or Associate Company; accordingly, reporting on the highlights of performance of Subsidiaries, Associates and Joint Venture companies and their contribution to the overall performance of the Company during the period under report, is not required to be made.

13. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Board of Directors

As at March 31, 2020, your Company has Four (4) Directors consisting of three (3) Non-Executive Directors and One (1) Executive Director.

Mr. Sandeep Menon (DIN: 02032154), Managing Director of the Holding Company was appointed as the Whole Time Director designated as Key Managerial Personnel of the Company subject to members' approval with effect from October 22, 2019. At the Extra-ordinary General Meeting of the members of the Company held on December 09, 2019, the members approved the appointment of Mr. Sandeep Menon as the Whole Time Director for a term of five consecutive years effective from October 22, 2019, till October 21, 2024.

In terms of Section 152(6) of the Act read with the Articles of Association of the Company, Mr. Sudhir Variyar (DIN: 00168672), Non-Executive Director, shall retire by rotation and being eligible has offered himself for re-appointment at the ensuing Annual General Meeting of the Company.

Based on the confirmations received in terms of the provisions of Section 164 of the Companies Act 2013, none of the Directors of the Company are disqualified from being appointed/continuing as Directors.

None of the Directors have resigned from the Company during the year under review. During the year under review, the Company was also not required to appoint any Independent Directors.

Key Managerial Personnel

Provisions of Section 203 of the Companies Act, 2013 and consequent to the increase in paid-up share capital of the Company from INR 2.50 Cores to INR 52.50 Crores on September 13, 2019, your Company has appointed the following Key Managerial Personnel in the Company with effect from October 22, 2019:

- Mr. Sandeep Menon, as a Whole Time Director
- Mr. Vikki Soni as the Chief Financial Officer
- Ms. Pallavi Bhambere as the Company Secretary

Accordingly, Mr. Sandeep Menon, Whole Time Director, Mr. Vikki Soni, Chief Financial Officer and Ms. Pallavi Bhambere, Company Secretary are the Key Managerial Personnel of the Company as at March 31, 2020, and as on the date of this report.

Compliance Officer

During the year under review, Mr. Vikki Soni, Chief Financial Officer of the Company was appointed as the Compliance Officer of the Company effective from February 18, 2020, to monitor adherence to the applicable laws and regulations and policies and procedures including but not limited to directions of Reserve Bank of India and other concerned statutory and governmental authorities.

14. REGULATORY AND STATUTORY COMPLIANCES:

During the financial year under review, the Reserve Bank of India ("RBI") has issued various Notifications, Circulars and Guidelines to Non-Banking Finance Company and your Company has adhered to all the Circulars, Notifications and Guidelines issued by RBI from time to time.

Your Company is also in compliance with the provisions of the Companies Act, 2013, including Secretarial Standards and other applicable statutory requirements.

15. DEPOSITS:

The Company has not accepted any deposits under Section 73 of the Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014 during the year ended March 31, 2020.

16. CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGOING:

As required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, the Company lays great emphasis on saving the cost of energy consumption. Therefore, effective measures have been taken to check the loss of energy, as far as possible.

No technology has been developed or imported by way of foreign collaboration.

During the period under review, the foreign exchange earnings and out-go were as under:

Foreign Exchange earnings	Nil
Foreign Exchange spent	Nil

17. DISCLOSURE UNDER SECTION 197(14) OF THE COMPANIES ACT, 2013:

Mr. Sandeep Menon (DIN: 020232154) is the Managing Director of Vastu Housing Finance Corporation Limited; Holding Company and is in receipt of managerial remuneration from the holding Company under the provisions of Section 197(1) of the Companies Act, 2013.

Remaining Directors of the Company does not receive any remuneration or commission from the Holding Company.

18. EXTRACT OF ANNUAL RETURN:

Pursuant to Section 92(3) of the Companies Act, 2013, the Extract of Annual Return in Form MGT-9 for the financial year ended March 31, 2020, is annexed herewith as **"Annexure A"**.

The Extract of Annual Return is also available on the website of the Company at https://www.vastufinserve.com/view/annualreport.

19. BOARD MEETINGS/GENERAL MEETINGS:

4 (Four) Board Meetings were held during the financial year 2019-20. The Company held a minimum of one board meeting in every quarter with a gap of not exceeding 120 days (Maximum period permitted) between two consecutive board meetings. The details of which are given as under:

Sr. No.	Board Meeting date	Quarter	Number of days from previous Board Meeting
1	April 26, 2019	January - March	73
2	July 31, 2019	April-June	96
3	October 22, 2019	July -September	83
4	February 18, 2020	October- December	119

During the year, two general meetings took place in the form of Annual General Meeting on July 31, 2019, and an Extra-Ordinary General Meeting on December 09, 2019.

Attendance of Directors at Board Meetings and General Meetings:

Sr. No.	Name of Director	Board Meetings held in Director's tenure	Attendance		
			Board Meeting	Annual General Meeting held on July 31, 2019	Extra-ordinary General Meeting held on December 09, 2019
1	Mr. Sandeep Menon	4	4	Yes	Yes
2	Mr. Sudhir Variyar	4	4	Yes	Yes
3	Mr. Harmanpreet Singh	4	3	No	Yes
4	Mr. Vijay Kumar	4	3 (1 meeting attended through Telecon, and 1 meeting attended through Video Conference)	No	Yes

20. RELATED PARTY TRANSACTIONS:

There are no material significant related party transactions made by the Company with the Promoters or Directors, etc. which may have potential conflict with the interest of the Company at large.

Transactions entered into with Related Parties as provided in the Notes to Financial Statements did not attract the provisions of Section 188 of the Companies Act, 2013.

21. DETAILS OF TRANSACTIONS OF NON-EXECUTIVE DIRECTORS WITH THE COMPANY:

During the period under review, no remuneration or sitting fees were paid to the Non-Executive Directors of the Company.

22. PARTICULARS OF INVESTMENTS, LOANS AND GUARANTEES UNDER SECTION 186:

During the Financial Year 2019-20, your Company has not made any investments or given any loans or provided any guarantees in connection with loan falling under the purview of Section 186 of the Companies Act, 2013.

23. CORPORATE SOCIAL RESPONSIBILITY:

Provisions of Section 135 of Companies Act, 2013 relating to Corporate Social Responsibility were not applicable to the Company during the year under review.

24. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has proper and adequate systems of internal controls to ensure that all its assets are safeguarded. Standardised operating procedures, policies and guidelines, including regular monitoring procedures and self-assessment exercises, are the cornerstones of this important function.

The Company has a comprehensive Know Your Customer & Anti Money Laundering (KYC & AML) policy (based on the RBI guidelines / provisions of the Prevention of Money Laundering Act, 2002) incorporating the key elements of Customer Acceptance Policy, Customer Identification Procedures, Risk Management and Monitoring of Transactions. The policy is subject to an annual review and is duly approved by the Board.

25. TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND:

There were no amounts due and outstanding to be credited to Investor Education and Protection Fund as at March 31, 2020.

26. INTERNAL FINANCIAL CONTROL RELATED TO FINANCIAL STATEMENTS:

The Company has in place adequate financial controls related to financial statements, and these financial controls are operating effectively.

27. STATUTORY AUDITORS:

At the first Annual General Meeting of the Company held on July 31, 2019, M/s. T. R. Chadha & Co LLP, Chartered Accountants, (Firm Registration No. 006711N/N500028), have been appointed as the Statutory Auditors of the Company to hold office for a period of 5 consecutive years, i.e. till the conclusion of the Annual General Meeting for the year ending on March 31, 2024.

The Auditors Report to the members for the year under review does not contain any qualification and accordingly, explanations or comments by the Board are not required to be provided. Also, no frauds were reported by the Auditors in their report on the Financial Statements of the Company under Section 143(12) of the Companies Act, 2013.

28. SECRETARIAL AUDIT REPORT:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and consequent to the increase in paid-up share capital of the Company from INR 2.50 Cores to INR 52.50 Crores on September 13, 2019, M/s. Pradeep Purwar & Associates, Practicing Company Secretaries (Certificate of Practice No. 5918) were appointed as the Secretarial Auditor to conduct the audit of the secretarial records of the Company for the financial year 2019-2020.

The Report of Secretarial Auditors in the prescribed Form MR-3 does not contain any audit observations and accordingly, explanations or comments by the Board are not required to be provided. The Form MR-3 shall form part of the Board's Report.

29. COST RECORDS:

The Company is not required to make and maintain cost records pursuant to Section 148(1) of the Companies Act, 2013.

30. EVALUATION OF PERFORMANCE OF BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS:

In terms of the provisions of the Companies Act, 2013, the Board at its meeting held on April 29, 2020, carried out the annual evaluation of its own performance as well as individual Directors and expressed its overall satisfaction as to their performance for the Financial Year 2019-20.

31. DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013:

Pursuant to the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has adopted a policy on prevention, prohibition and redressal of sexual harassment and has in place a formal process for dealing with complaints of harassment and / or discrimination against women.

The Board at its Meeting held on February 18, 2020, has constituted an Internal Complaints Committee and accordingly, during the financial year under review, your Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Company seeks to ensure that all complaints are resolved within defined timelines. Following is the summary of Sexual Harassment complaints received and disposed off during the year 2019-20:

No. of complaints received: Nil
No. of complaints disposed off: Nil

32. RISK MANAGEMENT FRAMEWORK:

Risks are an inherent feature of any business that can negatively impact the growth of the Company if not handled properly. The risk management techniques and processes enable early identification of problematic loans. These include early default analysis, product analysis, and the probability of default. Your Company works with strong analytic data to leverage areas of opportunity in a highly competitive industry scenario.

As a Non-Banking Finance Company, the Company is exposed to various risks like credit risk, liquidity risk and operational risk (technology, employee and transaction risk). To identify and mitigate these risks, the Company has an effective Risk Management Control Framework that has been developed encompassing all the above areas. The Board of the Company has adopted the Risk Management Policy in order to assess, monitor and manage risk throughout the Company.

33. DIRECTORS' RESPONSIBILITY STATEMENT PURSUANT TO SECTION 134(5) OF THE COMPANIES ACT, 2013:

In terms of Section 134(5) of the Companies Act, 2013; the Directors state to the best of their knowledge and belief and according to the information and explanations obtained by them:

(a) that in the preparation of the annual accounts, the applicable accounting standards been followed and there were no material departures;
(b) that appropriate accounting policies have been selected and applied consistently, and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020, and of the profit of the Company for that period;
(c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
(d) that the annual accounts have been prepared on a 'going concern' basis; and
(e) that proper systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

34. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND THE COMPANY'S OPERATIONS IN FUTURE:

During the year under review, there have not been any significant and material orders passed by the Regulators/Courts/Tribunals, which will impact the going concern status and operations of the Company in future.

35. ACKNOWLEDGEMENT:

Your directors' place on record thanks to the regulator Reserve Bank of India, the Company's bankers, the Govt. Authorities, Clients of the Company, staff Members of the Company for extending valuable support to the Company.

Your Directors also gratefully acknowledge all stakeholders of the Company viz. customers, dealers, vendors and other business partners for the excellent support received from them during the year, your involvement as shareholders is also greatly valued.

For and on behalf of the Board of Directors
Vastu Finserve India Private Limited

Place: Mumbai	**Sudhir Variyar** **Director** DIN: 00168672	**Sandeep Menon** **Whole Time Director** DIN: 02032154
Date: April 29, 2020		

VASTU FINSERVE INDIA PRIVATE LIMITED

ANNEXURE A TO THE BOARD'S REPORT

EXTRACT OF ANNUAL RETURN
as on the financial year ended on March 31, 2020
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

Form No. MGT-9

1. REGISTRATION AND OTHER DETAILS:

CIN	U65990MH2018PTC314935
Registration Date	28/09/2018
Name of the Company	VASTU FINSERVE INDIA PRIVATE LIMITED
Category / Sub-Category of the Company	A company limited by shares/Indian Non-Government Company. Non-Banking Financial Company registered with the Reserve Bank of India
Address of the Registered Office and contact details	Unit Nos. 203 & 204, 2nd Floor, A-wing, Navbharat Estates, Zakaria Bunder Road, Sewri (West) Mumbai, Maharashtra – 400 015 Phone: 022-02419 0911
Whether listed Company	Unlisted
Name, address and contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai - 400 083 Phone: +91 22 4918 6000 Fax: +91 22 4918 6060 ganesh.jadhav@linkintime.co.in www.linkintime.co.in

2. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated: -

SL. No.	Name and Description of the main Products / Services	NIC Code of the Product/Service	% to the total turnover of the Company
1.	Financial intermediation except Insurance and Pension Funding	64990	100.00

3. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

SL. No.	Name and address of the Company	CIN / GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable Section
1	Vastu Housing Finance Corporation Limited Address: Unit Nos. 203 & 204, 2nd Floor, A-wing, Navbharat Estates, Zakaria Bunder Road, Sewri (West) Mumbai, Maharashtra – 400 015	U65922MH2005PLC272501	Holding	100	2(46)

4. SHAREHOLDING PATTERN (Equity Share Capital Breakup as a percentage of Total Equity)

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2019)				No. of Shares held at the end of the year (31.03.2020)				% of change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Share	
A. Promoters									
1) **Indian**									
a) Individual / HUF	-	-	-	-	-	-	-	-	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt. (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other….	-	-	-	-	-	-	-	-	-
Sub-Total (A)(1):	-	-	-	-	-	-	-	-	-
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other….	-	-	-	-	-	-	-	-	-
Sub-Total (A)(2):	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoters (A) = (A)(1)+(A)(2)	-	-	-	-	-	-	-	-	-
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds / UTI	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt. (s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2019)				No. of Shares held at the end of the year (31.03.2020)				% of change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Share	
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B)(1):	-	-	-	-	-	-	-	-	-
(2) Non-Institutions									
a) Bodies Corporate									
i) Indian	-	24,99,998	24,99,998	99.99	5,24,99,978	-	5,24,99,978	99.99	0.00
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individual									
i) Individual shareholders holding nominal share capital up to Rs. 1 Lakh	-	2	2	0.01	-	22	22	0.01	0.00
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	-	-	-	-	-	-	-	-	-
c) Other (Specify)	-	-	-	-	-	-	-	-	-
i) Non-Resident (Non-Rep)	-	-	-	-	-	-	-	-	-
ii) Non-Resident (Rep)	-	-	-	-	-	-	-	-	-
iii) Trust	-	-	-	-	-	-	-	-	-
iv) OCB	-	-	-	-	-	-	-	-	-
v) Clearing Members	-	-	-	-	-	-	-	-	-
Sub-Total (B)(2):	**-**	**25,00,000**	**25,00,000**	**100**	**5,24,99,978**	**22**	**5,25,00,000**	**100**	**0.00**
Total Public Shareholding (B)= (B)(1) +(B)(2)	**-**	**25,00,000**	**25,00,000**	**100**	**5,24,99,978**	**22**	**5,25,00,000**	**100**	**0.00**
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	**25,00,000**	**25,00,000**	**100**	**5,24,99,978**	**22**	**5,25,00,000**	**100**	**0.00**

ii. Shareholding of Promoters – Not Applicable

Shareholders Name	No. of Shares held at the beginning of the year (01.04.2019)			No. of Shares held at the end of the year (31.03.2020)			% of the change in shareholding during the year
	No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	
-	-	-	-	-	-	-	-

iii. Change in Promoters' Shareholding - Not Applicable

	Shareholding At the beginning of the year		Cumulative shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
At the beginning of the year (01.04.2019)	-	-	-	-
Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):			-	-
At the end of the year (31.03.2020)	-	-	-	-

iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative shareholding during the year 01.04.2019 - 31.03.2020	
		No. of Shares at the beginning (01.04.2019) /end of the year (31.03.2020)	% of total shares of the Company				No. of shares	% of total shares of the Company
1.	Vastu Housing Finance Corporation Limited	24,99,998	99.99	01.04.2019			24,99,998	99.99
				13.09.2019	4,99,99,980	Allotment	5,24,99,978	99.99
		5,24,99,978	99.99	31.03.2020			5,24,99,978	99.99

v. Shareholding of Directors and Key Managerial Personnel

Sr. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative shareholding during the year 01.04.2019- 31.03.2020	
		No. of Shares at the beginning (01.04.2019)/end of	% of total shares of the Company				No. of shares	% of total shares of the Company

		the year (31.03.2020)						
A. Directors								
1.	Mr. Sandeep Menon - Whole-Time Director	1	0.00004	01.04.2019			1	0.00004
				13.09.2019	20	Allotment	21	0.00004
		21	0.00004	31.03.2020			21	0.00004
2.	Mr. Sudhir Variyar – Non-Executive Director	1	0.00004	01.04.2019			1	0.00004
		1	0.000002	31.03.2020			1	0.000002
Note: - Apart from abovementioned Directors, no other Directors held any shares of the Company during the year under review.								
B. Key Managerial Personnel								
NOT APPLICABLE as none of the Key Managerial Personnel held any shares of the Company during the year under review.								

5. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

(Amount in INR in lakhs)

	Secured Loans excluding deposits	**Unsecured Loans**	**Deposits**	**Total Indebtedness**
Indebtedness at the beginning of the financial year				
i. Principal Amount	-	-	-	-
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
Total (i+ ii+ iii)	-	-	-	-
Change in Indebtedness during the financial year	-	-	-	-
Addition	-	-	-	-
Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year	-	-	-	-
i. Principal Amount	-	-	-	-
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
Total (i+ ii+ iii)	-	-	-	-

6. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. **Remuneration to Managing Director, Whole-time Directors or Manager:** Mr. Sandeep Menon – Whole-Time Director (w.e.f. October 22, 2019):

(Amount in INR in lakhs)

Sr. No	Particulars of Remuneration	Name of Whole Time Director	Total Amount
		Mr. Sandeep Menon	
1	**Gross Salary**		
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	-	-
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	-	-
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-
2	**Stock Options***	-	-
3	**Sweat Equity**	-	-
4	**Commission**		
	- as % of profit	-	-
	- others, specify....	-	-
5	Others, please specify	-	-
	Total (A)	-	-
	Ceiling as per Act	**5% of the Net Profit of the Company**	

B. Remuneration to other Directors:

(Amount in INR in lakhs)

Sr. No	Particulars of Remuneration	Other Non-Executive Directors			Total Amount
		Mr Vijay Kumar	Mr. Sudhir Variyar	Mr. Harmanpreet Singh	
1	**Independent Director**				
	-Fee for attending Board/Committee Meetings	-	-	-	-
	Commission	-	-	-	-
	- Others, please specify	-	-	-	-
	Total (1)	-	-	-	-
2	**Other Non-Executive Directors**	-	-	-	-
	-Fee for attending Board/Committee Meetings	-	-	-	-
	Commission	-	-	-	-
	- Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total B= 1+2	-	-	-	-
	Total Managerial Remuneration	-	-	-	-
Overall Ceiling as per Act		**1% of the Net Profit of the Company**			

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD:

(Amount in INR in lakhs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary-Ms. Pallavi Bhambere (w.e.f. October 22, 2019)	Chief Financial Officer- Mr. Vikki Soni (w.e.f. October 22, 2019)	Total Amount
1.	**Gross Salary**	-	-	-
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	-	-	-
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961			
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961			
2	**Stock Options**			
3	**Sweat Equity**			
4	**Commission**			
	- as % of profit			
	- Others, specify....			
5	Others, please specify			
	Total	-	-	-

7. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalties/ Punishment/ Compounding Fees imposed	Authority [RD/ NCLT/ COURT]	Appeal made, if any (give details)
A. COMPANY					
Penalty	None				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	None				
Punishment					
Compounding					
OTHER OFFICER IN DEFAULT					
Penalty	None				
Punishment					
Compounding					

For and on behalf of the Board of Directors
Vastu Finserve India Private Limited

Sudhir Variyar
Director
DIN: 00168672

Sandeep Menon
Whole Time Director
DIN: 02032154

Place: Mumbai
Date: April 29, 2020

Form No. MR-3
SECRETARIAL AUDIT REPORT
For the Financial Year ended 31st March, 2020
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

UDIN: F005769B000147273

To,
The Members,
Vastu Finserve India Private Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Vastu Finserve India Private Limited** (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020 according to the provisions of:

(i) The Companies Act, 2013 ('the Act') and the rules made thereunder;

(ii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iii) Master Direction - Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

G-504, Virai, Kanchanpushpa Complex, Ghodbunder Road,
Opp. Suraj Water Park, Thane (West) - 400 615, Maharashtra, India.
Telefax : 91-22-2597 3004, 2597 3322 • E-mail : info@csppa.net • Website : www.csppa.in

Pradeep Purwar & Associates
C. P. No. 5918
Company Secretaries

Provisions of the following Acts, Regulations and Guidelines were not applicable to the Company under the financial year under report:

(i) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(ii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(iii) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

Pradeep Purwar & Associates
C. P. No.
5918
Company Secretaries

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. as mentioned above, to the extent applicable.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors ~~and Independent Directors~~. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance in most cases and consents for convening the meetings at a shorter notice were obtained in a few instances and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through and there were no dissenting members' views which were required to be captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period:

(i) The Reserve Bank of India issued Certificate of Registration as Non-Banking Finance Company ('NBFC') to the Company on 22nd April, 2019.

(ii) The Board granted its authority to offer upto 20 Crore Equity Shares of INR 10/- each to the existing Equity Shareholders of the Company on Rights basis pursuant to the provisions of Section 62(1)(a) of the Companies Act, 2013 by passing of a Board Resolution on 26th April, 2019.

(iii) The Authorised Share Capital of the Company was increased from INR 2.50 Crores to INR 100 Crores and consequently, the Capital Clause of the Memorandum of Association of the Company was altered by passing a Special Resolution at the Annual General Meeting of the Company held on 31st July, 2019.

Pradeep Purwar & Associates
C. P. No. 5918
Company Secretaries

(iv) The Other Objects Clauses of the Memorandum of Association of the Company were altered by addition of sub clauses 41, 42 and 43 after the existing sub clause 40 of clause 3(b) – 'Matters which are necessary for furtherance of the objects specified in clause 3(a)' of the Memorandum of Association; by passing a Special Resolution at the Annual General Meeting of the Company held on 31st July, 2019.

(v) The borrowing limits of the Company were approved and adopted upto an amount of INR 500 Crores pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013, by passing a Special Resolution at the Annual General Meeting of the Company held on 31st July, 2019.

(vi) Authority to create charge on the properties of the Company not exceeding INR 500 Crores pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013, was accorded to the Board of Directors by passing a Special Resolution at the Annual General Meeting of the Company held on 31st July, 2019.

(vii) In supersession of the resolution passed by the Board on 26th April, 2019, the Board granted its authority to offer upto 9.75 Crore Equity Shares of INR 10/- each to the existing Equity Shareholders of the Company on Rights basis pursuant to the provisions of Section 62(1)(a) of the Companies Act, 2013 by passing of a Board Resolution on 31st July, 2019 and offer letter was issued to existing shareholders on 6th September, 2019.

(viii) The Board at its meeting held on 31st July, 2019 noted co-origination of loans with scheduled commercial banks for creation of loans.

(ix) The Board vide its resolution passed by circulation approved allotment of 5 Crores Shares of INR 10/- each for cash at par on rights basis to existing shareholders of the Company on 13th September, 2019.

(x) Mr. Vikki Soni (Membership No. 148585) was appointed as the Chief Financial Officer of the Company designated as Key Managerial Personnel with effect from 22nd October, 2019.

(xi) Ms. Pallavi Bhambere (Membership No. A49763), Company Secretary of the Holding Company was appointed as the Company Secretary of the Company designated as Key Managerial Personnel with effect from 22nd October, 2019.

(xii) Mr. Sandeep Menon (DIN: 02032154), Managing Director of the Holding Company was appointed as the Whole-time Director of the Company designated as Key Managerial Personnel for a term of 5 consecutive years commencing from 22nd

Pradeep Purwar & Associates
C. P. No. 5918
Company Secretaries

October, 2019 at such remuneration and on such terms and conditions as mentioned in the Employment Agreement approved by the Board of Directors at their meeting held on 22nd October, 2019., by passing of an Ordinary Resolution at the Extra-ordinary General Meeting of the Company held on 9th December, 2019.

(xiii) Authority to raise funds through Private Placement of Unsecured/ Secured Redeemable Non-Convertible Debentures/ Bonds pursuant to the provisions of Sections 42 & 71 of the Companies Act, 2013 for an amount not exceeding INR 500 Crores, in or more tranches during the period of one year from the date of passing of the resolution, by passing a Special Resolution at the Extra-ordinary General Meeting of the Company held on 9th December, 2019.

(xiv) The Board at its meeting held on 18th February, 2020 accorded its approval to enter into and execute an Agreement of Management and Administrative Services with Vastu Housing Finance Corporation Limited, Holding Company, for receiving Management and Administrative services from the Holding Company.

(xv) The Board at its meeting held on 18th February, 2020 accorded its approval for ESOP Plan of Financial Year 2019-20 for the employees of the Company.

(xvi) The Board at its meeting held on 18th February, 2020 appointed Mr. Vikki Soni Chief Financial Officer to act as the Compliance Officer of the Company with immediate effect to monitor adherence to the applicable laws and regulations and directions of Reserve Bank of India and other concerned statutory and governmental authorities.

For Pradeep Purwar & Associates
Company Secretaries
[Unique Identification No.: S2003MH071600]
[PR: 599/2019]

Pradeep Purwar & Associates C. P. No. 5918 Company Secretaries

Pradeep Kumar Purwar
Proprietor
FCS No. 5769
CoP No. 5918

Place: Thane
Date: 6th April, 2020

T R Chadha & Co LLP
Chartered Accountants
502, Marathon Icon,
Off. Ganpatrao Kadam Marg
Opp. Peninsula Corporate Park
Lower Parel, Mumbai – 400 013
Tel.: 022-49669000
Fax.: 022-49669023
Email: mumbai@trchadha.com

INDEPENDENT AUDITOR'S REPORT

To the Members of Vastu Finserve India Private Limited
Report on the Audit of the Financial Statements

1. **Opinion**
We have audited the accompanying Ind AS financial statements of **Vastu Finserve India Private Limited ('Company')**, which comprise the Balance Sheet as at 31st March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Change in Equity, the Statement of Cash Flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements prepared in accordance with Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with Companies (Indian Accounting Standards) Rules, 2015, as amended, ('Ind AS'), gives the information required by the Act in the manner so required and gives a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the loss (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

2. **Basis for Opinion**
We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS 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 ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

3. **Emphasis of Matter**
We draw attention to **Note 44** to the Ind AS financial statement, which describes the extent to which the Covid-19 pandemic will impact the Company's financial statement will depend on the future developments, which are highly uncertain.

Our opinion is not modified in respect of this matter.

T R Chadha & Co LLP * MUMBAI * CHARTERED ACCOUNTANTS

T R Chadha & Co LLP
Chartered Accountants
502, Marathon Icon,
Off. Ganpatrao Kadam Marg
Opp. Peninsula Corporate Park
Lower Parel, Mumbai – 400 013
Tel.: 022-49669000
Fax.: 022-49669023
Email: mumbai@trchadha.com

4. **Information Other than the Ind AS Financial Statements and Auditor's Report thereon**
The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in Company's Annual report but does not include the Ind AS financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the Ind AS 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 Ind AS financial statements, our responsibility is to read the other information when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

5. **Responsibilities of Management and Those Charged with Governance for the Ind AS Financial Statements**
The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS 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 Ind AS and other accounting principles generally accepted in India. 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management and Board of Directors are 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.

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

6. **Auditor's Responsibilities for the Audit of the Ind AS Financial Statements**
Our objectives are to obtain reasonable assurance about whether the Ind AS 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

T R Chadha & Co LLP
MUMBAI
CHARTERED ACCOUNTANTS

T R Chadha & Co LLP
Chartered Accountants
502, Marathon Icon,
Off. Ganpatrao Kadam Marg
Opp. Peninsula Corporate Park
Lower Parel, Mumbai – 400 013
Tel.: 022-49669000
Fax.: 022-49669023
Email: mumbai@trchadha.com

assurance, but is not a guarantee that an audit conducted in accordance with SAs 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 Ind AS financial statements.

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

- Identify and assess the risks of material misstatement of the financial Ind AS 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 system 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 Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

T R Chadha & Co LLP
MUMBAI
CHARTERED ACCOUNTANTS

T R Chadha & Co LLP
Chartered Accountants
502, Marathon Icon,
Off. Ganpatrao Kadam Marg
Opp. Peninsula Corporate Park
Lower Parel, Mumbai – 400 013
Tel.: 022-49669000
Fax.: 022-49669023
Email: mumbai@trchadha.com

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.

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.

7. **Reporting on comparatives in case of First Ind AS Financial statements**
   The comparative financial information of the Company for the year ended March 31, 2019, included in these financial statements, have been prepared after adjusting previously issued financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 to comply with Ind AS.

8. **Report on Other Legal and Regulatory Requirements**

   a. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the '**Annexure A**', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

   b. As required by Section 143(3) of the Act, we report that:

      i. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

      ii. 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.

      iii. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

      iv. In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

      v. On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

T R Chadha & Co LLP
MUMBAI
CHARTERED ACCOUNTANTS

T R Chadha & Co LLP
Chartered Accountants
502, Marathon Icon,
Off. Ganpatrao Kadam Marg
Opp. Peninsula Corporate Park
Lower Parel, Mumbai – 400 013
Tel.: 022-49669000
Fax.: 022-49669023
Email: mumbai@trchadha.com

vi. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in **'Annexure B'**.

vii. The provision of section 197 read with schedule V to the Act are not applicable to the Company since the Company has not paid any remuneration to directors during the year. Accordingly, reporting under section 197(16) is not applicable.

viii. 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, in our opinion and to the best of our information and according to the explanations given to us:

a) The Company does not have any pending litigations which would impact its financial position.
b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **T R Chadha & Co LLP**
Chartered Accountants
Firm's Registration No. 006711N/N500028

Vikas Kumar

T R Chadha & Co LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

Vikas Kumar
Partner
Membership No. 075363

UDIN: 20075363AAAAAJ6031

Place of Signature: Mumbai
Date: 29th April '20

T R Chadha & Co LLP
Chartered Accountants
502, Marathon Icon,
Off. Ganpatrao Kadam Marg
Opp. Peninsula Corporate Park
Lower Parel, Mumbai – 400 013
Tel.: 022-49669000
Fax.: 022-49669023
Email: mumbai@trchadha.com

Annexure A to the Auditor's Report

The annexure referred to in Independent Auditors' Report to the member of Vastu Finserve India Private Limited ('the Company') on the financial statement for the year ended 31st March 2020, we report that;

(i) In respect of Fixed Assets

a) The Company is maintaining proper records showing full particulars including quantitative details and situtation of its fixed assets.

b) The management has carried the physical verification of the items of fixed assets during the period. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

c) According to the informations and explanations given to us, there is no Immovable Property in the books of accounts of the Company. Accordingly, reporting under paragraph 3(i)(c) of the Order is not applicable to the Company.

(ii) The nature of business of the company does not require to have any physical inventory. Accordingly, paragraph 3(ii) of the Order is not applicable to the company.

(iii) The Company has not granted any secured or unsecured loan to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 ("the Act"). Accordingly, paragraph 3 (iii) (a), (b) and (c) of the Order is not applicable to the Company.

(iv) According to the information and explanation given to us, the Company has not entered into any transaction in respect of loans, investments, guarantee and security which attracts compliance to provisions of section 185 & 186 of the Companies Act, 2013. Accordingly, paragraph 3 (iv) of the order is not applicable to the company.

(v) According to the information and explanation given to us, the company has not accepted any deposits which are covered under the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013. Accordingly, paragraph 3 (v) of the Order is not applicable to the Company.

(vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Act for the business activities carried out by the Company. Accordingly, paragraph 3(vi) of the Order is not applicable to the Company.

(vii) According to the information and explanations given to us, in respect of Statutory Dues:

T R Chadha & Co LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

T R Chadha & Co LLP
Chartered Accountants
502, Marathon Icon,
Off. Ganpatrao Kadam Marg
Opp. Peninsula Corporate Park
Lower Parel, Mumbai – 400 013
Tel.: 022-49669000
Fax.: 022-49669023
Email: mumbai@trchadha.com

a) The Company has generally been regular in depositing its undisputed statutory dues (with respect to amounts deducted / accrued in the books of account) including Provident Fund, Employees State insurance, income-tax, goods and services tax, cess and other material statutory dues (where applicable) to the appropriate authorities. There were no material undisputed dues payable, outstanding as on 31st March, 2020 for a period of more than six months from the date they became payable.

b) There are no amounts in respect of income tax, service tax, goods and service tax, duty of customs, duty of excise or value added tax that have not been deposited with the appropriate authorities on account of any dispute.

(viii) According to the information and explanations given to us and based on the records of the Company examined by us, the Company has not availed loans or borrowing from a financial institution, bank, Government or from issue of debenture. Accordingly, paragraph 3(viii) of the Order is not applicable to the Company.

(ix) According to the information and explanations given to us and based on the records of the Company examined by us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and term loans. Accordingly, paragraph 3(viii) of the Order is not applicable to the Company.

(x) According to the information and explanation given to us, no material fraud on the Company or any fraud on the company by its officers or employees has been noticed or reported during the year.

(xi) The provision of section 197 read with schedule V to the Act are not applicable to the Company, since the Company has not paid any remuneration to directors during the year. Accordingly, reporting under patagraph 3(xi) of the Order is not applicable to the Company.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) As per the information and explanations given by the management and on the basis of our examination of the records of the Company, the transactions with the related parties are in compliance with section 177 and 188 of Act where applicable and the details have been disclosed in the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.

T R Chadha & Co LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

T R Chadha & Co LLP
Chartered Accountants
502, Marathon Icon,
Off. Ganpatrao Kadam Marg
Opp. Peninsula Corporate Park
Lower Parel, Mumbai – 400 013
Tel.: 022-49669000
Fax.: 022-49669023
Email: mumbai@trchadha.com

(xv) As per the information and explanations given by the management, the Company has not entered into any non-cash transaction with directors or persons connected with him during the year and hence the provisions of Section 192 of the Act is not applicable to the company.

(xvi) The Company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained certificate of registration dated 22nd April 2019.

For **T R Chadha & Co LLP**
Chartered Accountants
Firm's Registration No. 006711N/N500028

Vikas Kumar

T R Chadha & Co LLP MUMBAI CHARTERED ACCOUNTANTS

Vikas Kumar
Partner
Membership No. 075363

UDIN: 20075363AAAAAJ6031

Place of Signature: Mumbai
Date: 29th April, 2020.

T R Chadha & Co LLP
Chartered Accountants
502, Marathon Icon,
Off. Ganpatrao Kadam Marg
Opp. Peninsula Corporate Park
Lower Parel, Mumbai – 400 013
Tel.: 022-49669000
Fax.: 022-49669023
Email: mumbai@trchadha.com

'Annexure B' to Independent Auditor's Report

Report on the Internal Financial Controls with reference to financial statements of Vastu Finserve India Private Limited ('the Company') under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

Opinion
We have audited the internal financial controls with reference to financial statement of **Vastu Finserve India Private Limited ('the Company')** as of 31st March, 2020, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March, 2020, based on the internal control with reference to financial statements reporting 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.

Management's Responsibility for Internal Financial Controls
The Company's management and Board of Directors are 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 (ICAI). 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 its business, including adherence to respective 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 Companies Act, 2013 ('the Act').

Auditors' Responsibility
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 Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls. 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

T R Chadha & Co LLP
MUMBAI
CHARTERED ACCOUNTANTS

T R Chadha & Co LLP
Chartered Accountants
502, Marathon Icon,
Off. Ganpatrao Kadam Marg
Opp. Peninsula Corporate Park
Lower Parel, Mumbai – 400 013
Tel.: 022-49669000
Fax.: 022-49669023
Email: mumbai@trchadha.com

internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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.

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 of the Company.

Meaning of internal financial controls with reference to financial statements

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 financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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

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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **T R Chadha & Co LLP**
Chartered Accountants
Firm's Registration No. 006711N/N500028

Vikas Kumar

Vikas Kumar
Partner
Membership No. 075363

T R Chadha & Co LLP MUMBAI CHARTERED ACCOUNTANTS

UDIN: 20075363AAAAAJ6031
Place of Signature: Mumbai
Date: 29.4.2020

VASTU FINSERVE INDIA PRIVATE LIMITED

Balance Sheet as on March 31, 2020

(₹ in Lakh)

	Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
I	**ASSETS**			
1	**Financial Assets**			
a	Cash and Cash Equivalents	5	67.43	226.09
b	Loans	6	348.28	-
c	Investments	7	4,640.18	-
d	Other Financial Assets	8	8.37	4.88
			5,064.26	**230.97**
2	**Non-Financial Assets**			
a	Current Tax Assets (Net)	9	0.75	0.54
b	Deferred Tax Assets (Net)	10	2.60	-
c	Property, Plant and Equipment	11	8.15	-
d	Other Intangible Assets	12	21.96	21.40
e	Right of Use Asset	13	154.90	-
f	Other Non-financial Assets	14	16.05	1.85
			204.41	**23.80**
3	**Assets held for sale**		-	-
	TOTAL		**5,268.66**	**254.77**
II	**LIABILITIES AND EQUITY**			
	LIABILITIES			
1	**Financial Liabilities**			
a	Trade Payables	15		
	Total Outstanding dues to Micro and Small Enterprises		-	-
	Total Outstanding dues to Creditors other than Micro and Small Enterprises		6.38	-
b	Other Financial Liabilities	16	203.63	4.47
			210.01	**4.47**
2	**Non-Financial Liabilities**			
a	Deferred Tax Liabilities (Net)	10	-	0.15
b	Provisions	17	0.94	-
c	Other Non-Financial Liabilities	18	2.81	0.01
			3.76	**0.16**
	EQUITY			
a	Equity Share Capital	19	5,250.00	250.00
b	Other Equity	20	(195.10)	0.14
			5,054.90	**250.14**
	TOTAL		**5,268.66**	**254.77**
	The accompanying notes form an integral part of the financial statements	1 to 48		

As per our report of even date attached

For M/s T R Chadha & Co LLP
Firm Registration No.: 06711N/N500028
Chartered Accountants

Vikas Kumar
Partner
Membership No. 075363

Date: **April 29, 2020**
Place: **Mumbai**

For and on behalf of the Board of Directors of
Vastu Finserve India Private Limited

Sandeep Menon
Whole Time Director
(DIN: 02032154)

Sudhir Variyar
Director
(DIN: 00168672)

Vikki Soni
Chief Financial Officer

Pallavi Bhambere
Company Secretary

VASTU FINSERVE INDIA PRIVATE LIMITED

Statement of Profit & Loss for the year ended March 31, 2020

(₹ in Lakh)

	Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
I	**INCOME**			
	Revenue from Operations			
a	Interest Income	21	20.87	-
b	Fees and Commission Income	22	3.52	-
c	Net Gain on Fair Value changes	23	136.09	-
d	Other Operating Income	24	0.18	-
	Total Revenue from Operations		**160.67**	-
e	Other Income	25	2.08	5.42
	Total Income		**162.74**	**5.42**
II	**EXPENSES**			
a	Finance Costs	26	11.33	0.01
b	Impairment on Financial Instruments	27	1.75	-
c	Employee Benefits Expense	28	161.95	-
d	Depreciation, Amortisation & Impairement	11,12,13	30.68	0.67
e	Other Expenses	29	155.04	4.45
	Total Expenses		**360.74**	**5.13**
III	**PROFIT BEFORE TAX**		**(198.00)**	**0.29**
IV	**TAX EXPENSES**			
a	Current Tax		-	-
b	Deferred Tax		(2.75)	0.15
	Total Tax Expense	30	**(2.75)**	**0.15**
V	**PROFIT AFTER TAX**		**(195.24)**	**0.14**
VI	**OTHER COMPREHENSIVE INCOME**			
	Items that will not be reclassified to Profit or Loss			
a	Actuarial loss on Post Retirement Benefit Plans		-	-
b	Income tax on above		-	-
	Total Other Comprehensive Income		-	-
VII	**TOTAL COMPREHENSIVE INCOME**		**(195.24)**	**0.14**
VIII	**EARNINGS PER EQUITY SHARE**	31		
	(Nominal Value of ₹10 each)			
a	Basic (₹)		**(0.65)**	**0.01**
b	Diluted (₹)		**(0.65)**	**0.01**
	The accompanying notes form an integral part of the financial statements	1 to 48		

As per our report of even date attached

For M/s T R Chadha & Co LLP
Firm Registration No.: 06711N/N500028
Chartered Accountants

T R Chadha & Co LLP MUMBAI CHARTERED ACCOUNTANTS

Vikas Kumar

Vikas Kumar
Partner
Membership No. 075363

For and on behalf of the Board of Directors of
Vastu Finserve India Private Limited

Sandeep Menon
Whole Time Director
(DIN: 02032154)

Sudhir Variyar
Director
(DIN: 00168672)

Vastu Finserve India Private Limited

Vikki Soni
Chief Financial Officer

Pallavi Bhambere
Company Secretary

Date: **April 29, 2020**
Place: **Mumbai**

VASTU FINSERVE INDIA PRIVATE LIMITED

Statement of changes in Equity for the year ended March 31, 2020

A EQUITY SHARE CAPITAL

(₹ in Lakh)

Particulars	Balance as at March 31, 2019	Changes in equity share capital during the year	Balance as at March 31, 2020
Equity Share Capital	250.00	5,000.00	5,250.00

B OTHER EQUITY

(₹ in Lakh)

Particulars	Reserves and Surplus					Total
	Special Reserve u/s 45-IC of RBI Act, 1934 read with 36(1)(viii) of Income Tax Act, 1961	Securities Premium	General Reserve	Share Options Outstanding Account	Retained Earnings	
Balance as at April 1, 2018	-	-	-	-	-	-
Changes in accounting policy/prior period errors	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	-	-	-	-	-	-
Profit for the year	-	-	-	-	0.14	0.14
Other Comprehensive Income for the year	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	0.14	0.14
Issue of share capital	-	-	-	-	-	-
Dividend including tax on dividend	-	-	-	-	-	-
Transferred from retained earnings	-	-	-	-	-	-
Received during the year	-	-	-	-	-	-
Employee Stock Option Scheme	-	-	-	-	-	-
Balance as at March 31, 2019	-	-	-	-	0.14	0.14
Balance as at April 1, 2019	-	-	-	-	0.14	0.14
Changes in accounting policy/prior period errors	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	-	-	-	-	0.14	0.14
Profit for the year	-	-	-	-	(195.24)	(195.24)
Other Comprehensive Income for the year	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	(195.10)	(195.10)
Issue of share capital	-	-	-	-	-	-
Dividend including tax on dividend	-	-	-	-	-	-
Transferred from retained earnings	-	-	-	-	-	-
Received during the year	-	-	-	-	-	-
Employee Stock Option Scheme	-	-	-	-	-	-
Balance as at March 31, 2020	-	-	-	-	(195.10)	(195.10)

As per our report of even date attched

For M/s T R Chadha & Co LLP
Chartered Accountants
FRN : 006711N/N500028

Vikas Kumar

Vikas Kumar
Partner
Membership No. 075363

Date: **April 29, 2020**
Place: **Mumbai**

T R Chadha & Co LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

Vastu Finserve ★ Private Limited

For and on behalf of the Board of Directors of Vastu Finserve India Private Limited

Sandeep Menon
Whole Time Director
(DIN: 02032154)

Sudhir Variyar
Director
(DIN: 00168672)

Vikki Soni
Chief Financial Officer

Pallavi Bhambere
Company Secretary

VASTU FINSERVE INDIA PRIVATE LIMITED

Statement of Cash Flows for the year ended Mach 31, 2020

(₹ in Lakh)

	Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
A	**Cash Flows from Operating Activities**			
	Profit / (Loss) before Taxation		**(198.00)**	**0.29**
	Adjustment for:			
	Depreciation and Amortisation expenses	11,12	7.14	0.67
	Depreciation and Amortisation expenses (Right of Use Assets)	13	23.54	-
	Provision for impairment on Financial Instruments (ECL)	27	1.75	-
	Net gain on fair value changes (unrealised)	23	(4.86)	-
	Net gain on fair value changes (realised)	23	(131.22)	-
	Interest on fixed deposits	25	(6.95)	(0.54)
	Interest expense on lease liabilty	26	11.27	-
	Operating Profit/(Loss) before Working Capital changes		**(297.34)**	**0.42**
	Movements in Working Capital:			
	(Increase) / Decrease in Financial Assets	8	(3.49)	(4.88)
	(Increase) / Decrease in Non-Financial Assets	14	(14.20)	(1.85)
	Increase / (Decrease) in Financial Liabilities	16	47.58	4.47
	Increase / (Decrease) in Non-Financial Liabilities	18	3.75	0.01
	Cash generated from / (used in) operations		**(263.70)**	**(1.83)**
	Income Taxes paid (net)	9,30	(0.21)	(0.54)
	Gross Cash flow from Operating Activities		**(263.91)**	**(2.37)**
	Loans Disbursed to Customer	6	(353.06)	-
	Loans Repaid by Customer	6	3.03	-
	NET CASH FLOW FROM OPERATING ACTIVITIES (A)		**(613.93)**	**(2.37)**
B	**Cash Flows from Investing Activities**			
	Interest received on Bank deposits	25	6.95	0.54
	Purchase/Sale of Property, Plant & Equipment and Intangible Assets	11,12	(15.85)	(22.07)
	Investments in mutual fund units	7	(18,022.88)	-
	Sale of mutual fund units	7	13,518.79	-
	NET CASH FLOW FROM INVESTING ACTIVITIES (B)		**(4,512.98)**	**(21.53)**
C	**Cash flow from Financing Activities**			
	Proceeds from issue of equity share	19	5,000.00	250.00
	Payment of lease liabilities	16	(31.74)	-
	NET CASH FLOW FROM FINANCING ACTIVITIES		**4,968.26**	**250.00**
	Net (Decrease) / Increase in Cash and cash equivalents (A+B+C)		**(158.66)**	**226.09**
	Cash and cash equivalents at the beginning of the year		226.09	-
	Cash and Cash Equivalents at the end of the year		**67.43**	**226.09**

T R Chadha & Co LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

Vastu Finserve India Private Limited

VASTU FINSERVE INDIA PRIVATE LIMITED

Statement of Cash Flows for the year ended Mach 31, 2020

(₹ in Lakh)

Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
Components of Cash and Bank Balance at the year end			
Cash on hand		1.59	-
Balances with banks:			
- In Current Accounts		65.84	16.09
- In Cash Credit Accounts		-	-
- In Deposit accounts with original maturity of 3 months or less		-	210.00
CASH AND BANK BALANCES		67.43	226.09
Operational Cash Flow towards Interest			
Interest received		14.92	-
Interest paid		-	-

As per our report of even date attached

For M/s T R Chadha & Co LLP
Firm Registration No.: 06711N/N500028
Chartered Accountants

T R Chadha & Co LLP MUMBAI CHARTERED ACCOUNTANTS

Vikas Kumar
Partner
Membership No. 075363

For and on behalf of the Board of Directors of
Vastu Finserve India Private Limited

Sandeep Menon
Whole Time Director
(DIN: 02032154)

Sudhir Variyar
Director
(DIN: 00168672)

Vastu Finserve India Private Limited

Vikki Soni
Chief Financial Officer

Pallavi Bhambere
Company Secretary

Date: **April 29, 2020**
Place: **Mumbai**

VASTU FINSERVE INDIA PRIVATE LIMITED

Notes to Financial Statement for the year ended March 31, 2020

1 CORPORATE INFORMATION

Vastu Finserve India Private Limited ('the Company') is a deemed public Company domiciled in India and incorporated under the provisions of the Companies Act, 2013. The Company is a Non-Banking Financial Company (NBFC) engaged in the business of providing financial services, to lend and advance money and assets of all kinds or give credit on any terms or mode and with or without security to any individual, firm, body corporate or any other entity, to enter into guarantees, contracts of indemnity and suretyship of all kinds, and to secure or guarantee in any manner and upon any terms the payment of any sum of money or the performance of any obligation by any person, firm or Company. The Company was incorporated on September 28, 2018 under the Companies Act 2013. The Company is registered as a Non-Systemically Important Non-Deposit taking NBFC as defined under Section 45-IA of the Reserve Bank of India ('RBI') Act,1934 with effect from April 22, 2019.

2 BASIS OF PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS & SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation and presentation of financial statements

A) Statement of compliance

The financial statements of the Company are prepared under the Indian Accounting Standards (Ind AS) and the relevant provisions of the Companies Act, 2013 (the "Act") (to the extent notified). Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued after that.

Effective April 01, 2019, the Company has adopted all the Ind AS and the adoption was carried out in accordance with Ind AS 101 - 'First-time Adoption of Indian Accounting Standards', with September 28, 2018 (Date of Incorporation) as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP) (Indian Generally Accepted Accounting Principles) and the Reseve Bank of India Act, 1934 and the Master Direction – Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 as amended from time to time and various guidelines issued by RBI to the extent applicable, which was the previous Generally Accepted Accounting Principal (GAAP).

The financial statements presented in Indian Rupees which is the functional and the presentation currency and all values rounded to the nearest lakh, except when otherwise indicated.

Accounting policies have been consistently applied except where a newly-issued Ind AS is initially adopted or a revision to an existing Ind AS requires a change in the accounting policy hitherto in use.Accounting Policies have been consistently applied except where a newly-issued Ind AS is initially adopted or a revision to an existing Ind AS requires a change in the accounting policy hitherto in use.

Disclosures as required in terms of Master Circular – 'Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015' RBI/2014-15/632-DNBR (PD) CC No.040/03.01.001/2014-15, June 03, 2015, have been prepared based on previous GAAP, and have been presented solely based on the information compiled by the Management. Refer to Note no. 41, 42 & 43.

B) Basis of measurement

The financial statements have been prepared on accrual basis under the historical cost convention except for specific financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below:

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

T R Chadha & Co LLP MUMBAI CHARTERED ACCOUNTANTS

Vastu Finserve India Private Limited

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability that market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value in use under Ind AS 36.

Fair value measurements under Ind AS are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are as follows:

- Level 1 Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at measurement date.
- Level 2 Inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly.
- Level 3 Inputs are unobservable inputs for the valuation of assets or liabilities.

C) Presentation of Financial Statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows".

2.2 Significant Accounting Policies

A) Property, Plant & Equipment and Intangible Assets

i. Property, plant and equipment (PPE)

PPE are recognised when it is probable that future economic benefits associated with the item flows to the Company, and the cost of the item can be measured reliably. The cost comprises of the purchase price, and any attributable cost of bringing the asset to its working condition for intended use net of tax/duty credits availed, less accumulated depreciation and cumulative impairment if any.

Depreciation/amortization is recognized on a straight-line basis over the lower of the estimated useful lives of respective assets prescribed under the Schedule II to the Companies Act, 2013 or as estimated by Management as under:

Category of Assets	Useful Life
Pemises	30 Years
Furniture & Fixtures	10 Years
Computer Hardware	3 Years
Leasehold Improvements	3 Years
Office Equipment	5 years

Assets costing less than Rs 5,000 are fully depreciated in the year of capitalization.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of PPE is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

T R Chadha & Co LLP MUMBAI CHARTERED ACCOUNTANTS

ii. Intangible Assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset flow to the enterprise, and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortisation and cumulative impairment. Administrative and other general overhead expenses that are individually attributable to the acquisition of intangible assets are allocated and capitalised as a part of the cost of the intangible assets.

Intangible assets are amortised on a straight-line basis over the estimated useful life of 3 years. The method of amortisation, useful life are reviewed at end of accounting year with the effect of changes in the estimate being accounted for on a prospective basis.

Amortisation on impaired assets is provided by adjusting the amortisation charge in the remaining periods so as to allocate the asset's revised carrying amount over its remaining useful life.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Deemed cost on transition to Ind AS

For transition to Ind AS, the Company has elected to continue with the carrying value of PPE and Intangible Assets recognised as of Septmber 1, 2018 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

B) Impairment on Non-Financial Assets

As at the end of each year, the Company reviews the carrying amount of its non-Financial Assets that is PPE and Intangible Assets to determine whether there is any indication that these assets have suffered an impairment loss.

An asset is considered as impaired when on the balance sheet date there are indications of impairment in the carrying amount of the assets, or where applicable the cash-generating unit to which the asset belongs, exceeds its recoverable amount (i.e. the higher of the assets' net selling price and value in use). Carrying amount is reduced to the level of recoverable amount, and the reduction is recognized as an impairment loss in the Statement of Profit and Loss.

When an impairment loss is subsequently reversed, the carrying amount of the asset (or the cash-generating unit) is increased to the revised estimate of its recoverable amount. But so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or the cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of profit or loss.

C) Revenue Recognition

Revenue is recognised to the extent that the economic benefits probably flow to the Company, and the revenue can be reliably measured, and there exists reasonable certainty of its recovery.

i. Interest Income

Interest income on financial instruments at amortised cost is recognised on a time proportion basis, taking into account the amount outstanding and the effective interest rate (EIR) applicable. Interest on financial instruments measured as at fair value is included within the fair value movement during the period.

The EIR is the rate that exactly discounts estimated future cash flows of the financial instrument through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount of the financial instrument. The future cash flows are estimated, taking into account all the contractual terms of the instrument.

The calculation takes into account all contractual terms of the Financial Instrument (for example, prepayment options) and includes all fees paid or received between parties to the contract that are incremental and directly attributable to the specific lending arrangement, transaction costs, and all other premiums or discounts. For financial assets at FVTPL (Fair Value Through Profit or Loss), transaction costs are recognised in Statement of Profit and Loss at initial recognition.

T R Chadha & Co LLP MUMBAI CHARTERED ACCOUNTANTS

The interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets, the interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for expected credit losses (ECLs). However, no interest has been charged on credit impaired loans as a matter of prudence.

Overdue interest and other ancillary charges in respect of loans are recognized upon realisation.

ii. Fee and Commission Income

Fee and commission income include fees and commitment charges other than those that are an integral part of EIR. The Company recognises the other fee and commission income under the terms and conditions of the relevant contract/agreement.

iii. Investment Income

The gains/ losses on sale of investments are recognised in the Statement of Profit and Loss on the trade date. Gain or loss on sale of investments is determined after consideration of cost on a first in first out (FIFO) basis.

iv. Dividend Income

Dividend income is recognized when the Company's right to receive the payment is established; probably, the economic benefits associated with the dividend flow to the entity and the amount of the dividend can be measured reliably. Generally, when shareholders approve the dividend.

D) Foreign Currency

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Income and expenses in foreign currencies are initially recorded by the Company at the exchange rates prevailing on the date of the transaction.

Foreign currency denominated monetary assets and liabilities are translated at the functional currency spot rates of exchange at the reporting date, and exchange gains and losses arising on settlement and restatement are recognized in the Statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in Other Comprehensive Income ('OCI') or profit or loss are also recognized in OCI or profit or loss, respectively).

E) Leasing

The Company's lease asset primarily consist of leases for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether-

i. the contract involves the use of an identified asset;
ii. the Company has substantially all of the economic benefits from use of the asset through the period of the lease; and
iii. the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a Right-of-Use Asset (ROU) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense.

The Right-of-Use Assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

T R Chadha & Co LLP
MUMBAI
CHARTERED ACCOUNTANTS

Vastu Finserve India Private Limited

Right-of-Use Assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU Assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e.the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. Lease liabilities are remeasured with a corresponding adjustment to the related ROU Asset if the Company changes its assessment whether it will exercise an extension or a termination option.

Lease liability and ROU Asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

F) Borrowing Costs

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets as defined in Ind AS 23 - 'Borrowing Costs' are capitalized as a part of costs of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use.

Interest expenses are calculated using the EIR and all other Borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

G) Employee Benefits

i. Share-based payment arrangements

The stock options granted to employees pursuant to the Company's Stock Options Schemes, are measured at the fair value of the options at the grant date. The fair value of the options is treated as discount and accounted as employees' compensation cost over the vesting period on a straight-line basis. The amount recognised as expense in each year is arrived at based on the number of grants expected to vest. If a grant lapses after the vesting period, the cumulative discount recognised as expense in respect of such grant is transferred to the General Reserve within Other Equity.

ii. Retirement Benefit Costs and Termination Benefits

<u>Defined Contribution Plan</u>
Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an employee benefit expense when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then the excess is recognized as an asset to the extent that the pre-payment leads to, for example, a reduction in future payment or a cash refund.

<u>Defined Benefit Obligation Plan</u>
The Company's Gratuity liability under the Payment of Gratuity Act,1972 are determined on the basis of actuarial valuation made at the end of each Financial Year using the Projected Unit Credit method.

The Company's net obligation in respect of Defined Benefit Plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any Plan Assets. The calculation of Defined Benefit Obligations is performed annually by a qualified actuary using the Projected Unit Credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

T R Chadha & Co LLP
MUMBAI
CHARTERED ACCOUNTANTS

Re-measurement of the Net Defined Benefit Liability, which comprise actuarial gains and losses, the return on Plan Assets (excluding interest) and the effect of the Asset Ceiling (if any, excluding interest), are recognised immediately in Other Comprehensive Income (OCI). Net interest expense / (income) on the Net Defined Liability / (Asset) is computed by applying the discount rate used to measure the Net Defined Liability / (Asset), to the Net Defined Liability / (Asset) at the start of the Financial Year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to Defined Benefit Plans are recognised in Statement of Profit and Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in Statement of Profit and Loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

iii. Short-term Employee Benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employee renders the service. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. These benefits include performance incentive etc. which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

iv. Other Long-term Employee Benefits

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

H) Income Tax

The Income tax expense represents the sum of the current tax and deferred tax. Current and deferred taxes are recognised in the Statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

i. Current Tax

The tax currently payable is based on the taxable profit for the year of the Company. Taxable profit differs from 'profit before tax' as reported in the Statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current tax is calculated using applicable tax rates that have been enacted or substantively enacted by the end of the reporting period.

ii. Deferred Tax

Deferred Tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Company's financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax assets are generally recognised, for all temporary deductible differences, to the extent that it is probable that taxable profits are available against which those temporary deductible differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. Also, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred Tax Liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Company is able to control the reversal of temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which it can utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

T R Chadha & Co LLP MUMBAI CHARTERED ACCOUNTANTS

The carrying amount of Deferred Tax Assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits are available to allow all or part of the assets to be recovered.

Deferred Tax Liabilities and Assets are measured at the tax rates that are expected to apply in the period in which the liability is settled, or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred Tax Assets and Liabilities are off-set when there is a legally enforceable right to set-off Current Tax Assets against Current Tax Liabilities and when they relate to Income Taxes levied by the same taxation authority and the Company intends to settle its Current Tax Assets and Liabilities on a net basis.

I) Goods and Service Tax Input Credit

Goods and Services Tax input credit is accounted for in the books in the period in which the supply of goods or service received is accounted and when there is no uncertainty in availing / utilising the credits.

J) Provisions, Contingent Liabilities and Contingent Assets

i. Provisions

Provisions are recognised only when:

i. an entity has a present obligation (legal or constructive) as a result of a past event;
ii. it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
iii. a reliable estimate can be made of the amount of the obligation.

These are reviewed at each reporting date and adjusted to reflect the current best estimates.

Long term provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognised as a finance cost. A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

ii. Contingent Liability

Contingent Liability is disclosed in case of:

i. a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and

ii. a present obligation arising from past events, when no reliable estimate is possible.

iii. Contingent Asset

Contingent Assets are not recognized in the Financial Statements. They are disclosed where an inflow of economic benefits is probable.

K) Commitments

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

i. Estimated amount of contracts remaining to be executed on capital account and not provided for;
ii. Uncalled liability on shares and other investments partly paid;
iii. Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

Other commitments related to sales/procurements made in the normal course of business are not disclosed to avoid excessive details.

L) Statement of Cash Fows

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method adjusting the net profit for the effects of:

i. Changes during the period in inventories and operating receivables and payables transactions of a non-cash nature;
ii. Non-cash items such as depreciation, provisions, deferred taxes, unrealised foreign currency gains and losses, and
iii. All other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of Balance Sheet.

T R Chadha & Co LLP
MUMBAI
CHARTERED ACCOUNTANTS

M) Segments

The Company's main business is financing by way of loans for various purposes. All other activities of the Company revolve around the main business. This in the context of Ind AS 108 – 'Operating Segments' where reporting is considered to constitute one reportable segment.

N) Financial Instrument

i. Recognition of Financial Instruments

Financial instruments comprise of financial assets and financial liabilities. Financial assets and liabilities are recognized when the company becomes the party to the contractual provisions of the instruments. Financial assets primarily comprise of loans and advances, deposits, trade receivables and cash and cash equivalents. Financial liabilities primarily comprise of borrowings and trade payables

ii. Initial Measurement of Financial Instruments

Recognised financial assets and financial liabilities are initially measured at fair value. Transaction costs and revenues that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs and revenues directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in the statement of profit or loss.

If the transaction price differs from fair value at initial recognition, the Company will account for such difference as follows:

- if fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets, then the difference is recognised in Statement of Profit and loss on initial recognition (i.e. day 1 profit or loss);
- in all other cases, the fair value will be adjusted to bring it in line with the transaction price (i.e. day 1 profit or loss will be deferred by including it in the initial carrying amount of the asset or liability).

After initial recognition, the deferred gain or loss will be released to the Statement of Profit and Loss on a rational basis, only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

iii. Financial Assets

Subsequent Measurement

All recognised financial assets that are within the scope of Ind AS 109 are required to be subsequently measured at amortised cost or fair value on the basis of the entity's business model for managing the Financial Assets and the contractual cash flow characteristics of the Financial Assets.

Classification

- Debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI), are subsequently measured at amortised cost;
- All other Debt Instruments (e.g. Debt Instruments managed on a fair value basis, or held for sale) and equity investments are subsequently measured at FVTPL.

However, the Company may make the following irrevocable election / designation at initial recognition of a Financial Asset on an asset-by-asset basis:

- The Company may irrevocably elect to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 - 'Business COmbination' applies, in OCI; and
- The Company may irrevocably designate a Debt Instrument that meets the amortised cost or FVTOCI criteria as measured at FVTPL, if doing so eliminates or significantly reduces an accounting mismatch (referred to as the fair value

A Financial Asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition, it is part of a portfolio of identified Financial Instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

T R Chadha & Co LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

Debt Instruments at Amortised Cost or at FVTOCI
The Company assesses the classification and measurement of a Financial Asset based on the contractual cash flow characteristics of the individual asset basis and the Company's business model for managing the asset.

For an asset to be classified and measured at amortised cost or at FVTOCI, its contractual terms should give rise to cash flows that are meeting SPPI test.

For SPPI test, principal is the fair value of the Financial Asset at initial recognition. That principal amount may change over the life of the Financial Asset (e.g. if there are repayments of principal). Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The SPPI assessment is made in the currency in which the Financial Asset is denominated.

Contractual cash flows that are SPPI are consistent with a basic lending arrangement. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in Equity prices or Commodity prices, do not give rise to contractual cash flows that are SPPI. An originated or an acquired Financial Asset can be a basic lending arrangement irrespective of whether it is a loan in its legal form.

An assessment of business models for managing financial assets is fundamental to the classification of a Financial Asset. The Company determines the business models at a level that reflects how Financial Assets are managed at individual basis and collectively to achieve a particular business objective.

When a debt instrument measured at FVTOCI is derecognised, the cumulative gain/loss previously recognised in OCI is reclassified from the Equity to Profit and Loss. In contrast, for an Equity investment designated as measured at FVTOCI, the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to the Statement of Profit and Loss but transferred within the Equity.

Debt instruments that are subsequently measured at amortised cost or at FVTOCI are subject to impairment.

Financial Asset at Fair Value Through Profit or Loss (FVTPL)
Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria are measured at FVTPL. In addition, Debt Instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or Debt Instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, and the economic benefits associated with the dividend probably flow to the entity, the dividend does not represent a recovery of a part of the cost of the investment, and the amount of dividend can be measured reliably.

Re-classification
If the business model under which the Company holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in the business model that results in reclassifying the Company's

During the current financial year and previous accounting period, there was no change in the business model under which the Company holds financial assets, and therefore no reclassifications were made. Changes in contractual cash flows are considered under the accounting policy on Modification and derecognition of financial assets described below.

T R Chadha & Co LLP
MUMBAI
CHARTERED ACCOUNTANTS

Vastu Finserve India Private Limited

Impairement

Overview of Expected Credit Loss (ECL) Principle

The Company records allowance for Expected Credit Losses for all loans, other debt financial assets not held at FVTPL, together with loan commitments and financial guarantee contracts, in this section all referred to as 'Financial Instruments'. Equity Instruments are not subject to impairment under Ind AS 109 - 'Financial Instruments'.

ECLs are a probability-weighted estimate of the present value of credit losses. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original Effective Interest Rate (or credit-adjusted Effective Interest Rate for purchased or originated credit-impaired Financial Assets). The Company estimates cash flows by considering all contractual terms of the Financial Instrument (for example, prepayment, extension, call and similar options) through the expected life of that Financial Instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are a portion of the lifetime expected credit losses and represent the lifetime cash shortfalls that result if a default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

A loss allowance for full lifetime ECL is required for a Financial Instrument if the credit risk on that Financial Instrument has increased significantly since initial recognition. For all other Financial Instruments, ECLs are measured at an amount equal to the 12-month ECL.

The Company measures ECL for stage 3 assets (as defined below) on an individual basis. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's original EIR.

Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the Financial Asset's gross carrying value.

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a Financial Instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the Financial Instrument.

Based on the above process, the Company categorises its loans into Stage 1, Stage 2 and Stage 3, as described below:

Stage 1 - Performing assets (high quality assets) with 0 to 30 days past due (DPD). Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.

Stage 2 - Under-Performing Assets (assets for which there is significant increase in credit risk) having 31 to 90 DPD. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3.

Stage 3 - Non-Performing Assets (credit impaired assets) with overdue more than 90 DPD.

Definition of Default

The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL.

The Corporation considers the following as constituting an event of default:

- the borrower is past due more than 90 days on any material credit obligation to the Corporation; or
- the borrower is unlikely to pay its credit obligations to the Corporation in full.

For trade receivables or any contractual right to receive cash or other Financial Asset that result from transactions that are within the scope of Ind AS 18 - 'Revenue Recognition' and loans under short term financing, the Company always measures the loss allowance at an amount equal to lifetime ECL. Further, for the purpose of measuring lifetime ECL allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109 - 'Financial Instruments'.

This ECL is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to Debt Instruments at FVTOCI except that the loss allowance is recognised in Other Comprehensive Income and is not reduced

T R Chadha & Co LLP MUMBAI CHARTERED ACCOUNTANTS

The Financial Assets for which the Company has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the Financial Asset is reduced. This is considered a (partial) derecognition of the Financial Asset.

Derecognition

A Financial Asset is derecognised only when :

- The Company has transferred the rights to receive cash flows from the Financial Assets; or
- Retains the contractual rights to receive the cash flows of the Financial Assets, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the Financial Assets. In such cases, the Financial Assets is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the Financial Asset, the Financial Asset is not derecognised.

On derecognition of a Financial Asset under assignment transaction, the difference between the carrying amount and the consideration received shall be recognized in Statement of Profit and Loss.

Collateral Valuation and Repossession

To mitigate the credit risk on financial assets, the Company seeks to use collateral, where possible as per the powers conferred on the Housing Finance Companies under the Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002 ("SARFAESI").

The Company provides fully secured, partially secured and unsecured loans to individuals. In its ordinary course of business, the Corporation does not physically repossess properties or other assets in its retail portfolio, but engages with the external agents to recover funds, generally at auction, to settle outstanding debt.

Any surplus funds are returned to the customers/obligors. As a result of this practice, the residential properties under legal repossession processes are not recorded on the balance sheet and not treated as non–current assets held for sale.

Write-off

Loans and debt securities are written-off when the Company has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). In such cases, the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Company may apply enforcement activities to financial assets written off. Recoveries resulting from the Company's enforcement activities result in impairment gains and are credited to statement of profit and loss.

iv. Financial Liabilities and Equity Instruments

Classification

Debt and Equity Instruments issued by a Company entity are classified as either Financial Liabilities or as Equity in accordance with the substance of the contractual arrangements and the definitions of a Financial Liability and an Equity Instrument.

Financial Liability

A financial liability is a contractual obligation to deliver cash or another financial asset or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Company or a contract that will or may be settled in the Company's equity instruments and is a non-derivative contract for which the Company is or may be obliged to deliver a variable number of its equity instruments, or a derivative contract over own equity that will or may be settled other than by the exchange of a fixed amount of cash (or another financial asset) for a fixed number of the Company's equity instruments.

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured under the specific accounting policies set out below.

T R Chadha & Co LLP MUMBAI CHARTERED ACCOUNTANTS

Financial Liability at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified Financial Instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial Liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost.

Financial Liability subsequently measured at Amortised Cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Interest expense that is not capitalized as part of the costs of an asset is included in the 'Finance costs' line item.

The EIR method is a method of calculating the amortized cost of a Financial Liability and of allocating interest expense over the relevant period. The EIR is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the EIR, transaction costs and other premiums or discounts) through the expected life of the Financial Liability, or where appropriate, a shorter period, to the net carrying amount on initial recognition

Derecognition of Financial Liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between/with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

O) Cash and Cash Equivalent

Cash and cash equivalent in the Balance Sheet comprise cash at banks and on hand and short-term investments with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash and short term investments, as defined above.

P) Earning Per Share

i. Basic Earnings Per Share

Basic Earnings Per Share is calculated by dividing the net profit or loss (before Other Comprehensive Income) for the year attributable to Equity Shareholders (after deducting attributable taxes) by the weighted average number of Equity Shares outstanding during the year.

ii. Diluted Earnings Per Share

For calculating diluted earnings per share, the net profit or loss (before Other Comprehensive Income) 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.

Q) Assets held for sale

In the ordinary course of business, the Company does not physically repossess properties or other assets in its retail portfolio but generally engages external or internal agents to recover funds generally at auctions to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, the residential properties under legal repossession are not recorded on the balance sheet and are treated as assets held for sale at (i) fair value less cost to sell or (ii) principal outstanding, whichever is less, at the repossession date.

T R Chadha & Co LLP MUMBAI CHARTERED ACCOUNTANTS

Vastu Finserve India Private Limited

R) Investments in Subsidiaries, Joint Ventures and Associates

Investments in Subsidiaries are measured at cost less impairment loss (if any) as per Ind AS 27 – Separate Financial Statements.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAININITIES

The preparation of financial statements in conformity with the Ind AS requires the management to make judgments. estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the acCompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting year. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future years.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

A) Business model assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Company determines its business model at a level that reflects how financial assets as a whole and not an individual instrument performs; therefore the business model is developed basis a higher level of assessment at portfolio level rather than on granular instrument-level information and is based on observable factors such

i. How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel.
ii. The risks that affect the performance of the business model and, in particular, the way those risks are managed.
iii. The expected frequency, value and timing of sales are also essential aspects of the Company's assessment.
iv. How managers of the business are compensated (e.g. whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

At initial recognition of a financial asset, the Company determines whether newly recognised financial assets are part of an existing business model or whether they reflect a new business model. The Company reassesses it's business model at each reporting period to determine whether the business model has changed since the preceding period.

Based on this assessment and future business plans of the Company, the management has measured its financial assets at amortised cost as the asset is held within a business model whose objective is to collect contractual cash flows, and the contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest.

B) Defined employee benefit assets and liabilities

The cost of the defined benefit gratuity plan the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future; these include the determination of the discount rate, future salary increases and mortality rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at the end of each reporting date.

C) Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

T R Chadha & Co LLP MUMBAI CHARTERED ACCOUNTANTS

D) Effective Interest Rate (EIR) methood

The Company's EIR methodology recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans and recognises the effect of potentially different interest rates charged at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges). This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes to the Company's base rate and other fee income/expense that are integral parts of the instrument.

E) Fair value measurement

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

F) Impairment losses on financial assets (ECL)

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and credit assessment and including forward-looking information. In some instances, the assessment based on experience is required for future estimation of cash flows which requires significant judgment.

Inputs used and the process followed by the Company in determining the increase in credit risk has been detailed in the notes to accounts on Impairment. Estimation is also involved in the selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

G) Excess Interest Spread on Direct Assignment

The assessment of derecognition criteria being met involves significant judgements. Furthermore, the measurement of the related EIS receivable income, servicing asset and liability requires significant estimates to be made for the discount rate, expected portfolio life, prepayment and foreclosures.

H) Income Tax

The Company's tax jurisdiction is in India. Significant judgments are involved in determining the provision for income tax, including the amount expected to be paid/recovered for uncertain tax positions.

4 TRANSITION TO IND AS

A) Overall Principle

The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended March 31, 2020, the comparative information presented in these financial statements for the year ended March 31, 2019, and in the preparation of an opening Ind AS transition balance sheet as at September 28, 2018 (the Company's date of incorporation). In preparing it's opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared under the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous Indian GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and note 37.

T R Chadha & Co LLP MUMBAI CHARTERED ACCOUNTANTS

B) Exemptions and exceptions availed

We have set out below the applicable Ind AS 101 - 'First-time Adoption of Indian Accounting Standards' optional and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

i. Deemed cost for property, plant and equipment and other intangible assets

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 after making necessary adjustments for de-commissioning liabilities. This exemption has also been used for intangible assets covered by Ind AS 38 - 'Intangible Assets'.

Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

ii. Estimates

An entity's estimates in accordance with Ind ASs 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 September 28, 2018 (date of incorporation) 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 not required under previous GAAP:

iii. Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 - 'Financial Instruments' retrospectively. However, as permitted by Ind AS 101 - 'First-time Adoption of Indian Accounting Standards', it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that Financial Instruments were initially recognized in order to compare it with the credit risk at the transition date.

iv. Classification and measurement of financial assets

The Company has classified the Financial Assets in accordance with Ind AS 109 - 'Financial Instruments' on the basis of facts and circumstances that exist at the date of transition to Ind AS.

v. Lease

Effective April 1, 2019, the Company adopted Ind AS 116 - 'Leases' and applied the standard to all lease contracts existing on April 1, 2019, using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Company recorded the lease liability, of ₹157.96 lakh (PY: Nil) as at March 31, 2020, at the present value of the lease payments, discounted at the incremental borrowing rate and the Right-of-Use Asset at its carrying amount, of ₹154.90 Lakh (PY: Nil) as at March 31, 2020, as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended March 31, 2019, have not been retrospectively adjusted and therefore continues to be reported under the accounting policies included as part of our Annual Report for the year ended March 31, 2019.

T R Chadha & Co LLP MUMBAI CHARTERED ACCOUNTANTS

Vastu Finserve India Private Limited

5 Cash and Cash Equivalents

(₹ in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Cash in Hand	1.59	-
Balances with Banks		
In Current Accounts	65.84	16.09
In Deposit Accounts with original maturity 3 months or less	-	210.00
Total	**67.43**	**226.09**

5.1 Short-term deposits are made for varying periods ranging from one day to three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

T R Chadha & Co LLP MUMBAI CHARTERED ACCOUNTANTS

Vastu Finserve India Private Limited

6 Loans*

(At amortised cost)

(₹ in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Loans given in India to other than public sector		
Loans Against Properties	349.47	-
Interest accrued on loans	4.12	-
Total – Gross (A)	**353.58**	-
Less: Impairment Loss (Expected Credit Loss)	1.75	-
Less: Umamortized Processing fee	3.56	-
Total – Net (A)	**348.28**	-
Secured by Tangible Assets	353.58	-
Secured by Intangible Assets	-	-
Total – Gross (B)	**353.58**	-
Less: Impairment Loss (Expected Credit Loss)	1.75	-
Less: Umamortized Processing fee	3.56	-
Total – Net (B)	**348.28**	-
Loans in India	353.58	-
Total – Gross (C1)	**353.58**	-
Less: Impairment Loss (Expected Credit Loss)	1.75	-
Less: Umamortized Processing fee	3.56	-
Total – Net (C1)	**348.28**	-
Loans outside India	-	-
Total – Gross (C2)	-	-
Less: Impairment Loss (Expected Credit Loss)	-	-
Less: Umamortized Processing fee	-	-
Total – Net (C2)	-	-
Total (C1) and (C2)	**348.28**	-

**Refer Note 38*

6.1 Loans and receivables are Non-Derivative Financial Assets which generate a fixed or variable Interest Income for the Company. The carrying value may be affected by changes in the credit risk of the counterparties.

6.2 Collateral and Other Credit Enhancements

Loans granted by the Company are secured by any or all of the following as applicable, based on their categorisation:

a) Equitable / Registered Mortgage of Property.
b) Undertaking to create a security.
c) The personal guarantees of borrowers.
d) Assignment of insurance policies.

6.3 The Company monitors the value of collateral and will request additional collateral in accordance with the loan agreement.

6.4 Includes loans under on-going cheque handover post completion of disbursement process but under security creation.

6.5 There were no loans given against the collateral of gold jewellery & hence the percentage of such loan to the total outstanding assets is Nil (as at March 31, 2019 is Nil).

T R Chadha & Co LLP
MUMBAI
CHARTERED ACCOUNTANTS

6.7 Loan Against Properties

An analysis of changes in the gross carrying amount and the corresponding Expected Credit Loss allowances in relation to lending is as follows:

a) Reconciliation of changes in Gross Carrying Amount of Loans

(₹ in Lakh)

Particulars	For the year ended March 31, 2020				For the year ended March 31, 2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount Opening Balance	-	-	-	-	-	-	-	-
New Asset originated or purchased / further increased in existing asset (net)	349.47	-	-	**349.47**	-	-	-	-
Assets repaid in part or full (excluding write offs)	-	-	-	-	-	-	-	-
Assets derecogised (loans assigned)	-	-	-	-	-	-	-	-
Transfers to / (from) Stage 1	-	-	-	-	-	-	-	-
Transfers to / (from) Stage 2	-	-	-	-	-	-	-	-
Transfers to / (from) Stage 3	-	-	-	-	-	-	-	-
Amount written-off	-	-	-	-	-	-	-	-
Gross carrying amount Closing Balance	**349.47**	-	-	**349.47**	-	-	-	-

b) Reconciliation of changes in Expected Credit Loss

(₹ in Lakh)

Particulars	For the year ended March 31, 2020				For the year ended March 31, 2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL alowance Opening Balance	-	-	-	-	-	-	-	-
New Asset originated or purchased / further increased in existing asset (net)	1.75	-	-	**1.75**	-	-	-	-
Assets repaid in part or full (excluding write offs)	-	-	-	-	-	-	-	-
Assets derecogised (loans assigned)	-	-	-	-	-	-	-	-
Transfers to / (from) Stage 1	-	-	-	-	-	-	-	-
Transfers to / (from) Stage 2	-	-	-	-	-	-	-	-
Transfers to / (from) Stage 3	-	-	-	-	-	-	-	-
Amount written-off	-	-	-	-	-	-	-	-
Excess Provision (reversed)	-	-	-	-	-	-	-	-
ECL allowance Closing Balance	**1.75**	-	-	**1.75**	-	-	-	-

T R Chadha & Co LLP MUMBAI CHARTERED ACCOUNTANTS

Vastu Finserve India Private Limited

7 Investments

As at March 31, 2020

(₹ in Lakh)

Particulars	Amortised Cost	At Fair Value				Others	Total
		Through Other Comprehensive Income	Through Profit or Loss	Designated at Fair Value through Profit or Loss	Sub-Total		
	(1)	(2)	(3)	(4)	(5) = (2)+(3)+(4)	(6)	(7) = (1)+(5)+(6)
Mutual Funds							
HDFC Overnight Fund (Units : 85,907.21)	-	-	2,550.69	-	2,550.69	-	2,550.69
Kotak Overnight Fund (Units : 1,95,037.54)	-	-	2,089.49	-	2,089.49	-	2,089.49
Total (A)	-	-	**4,640.18**	-	**4,640.18**	-	**4,640.18**
Investment outside India	-	-	-	-	-	-	-
Investment in India	-	-	4,640.18	-	4,640.18	-	4,640.18
Total (B)	-	-	**4,640.18**	-	**4,640.18**	-	**4,640.18**
Less: Impairment Loss **(C)**	-	-	-	-	-	-	-
Net Total (D = A - C)	-	-	**4,640.18**	-	**4,640.18**	-	**4,640.18**

As at March 31, 2019

(₹ in Lakh)

Particulars	Amortised Cost	At Fair Value				Others	Total
		Through Other Comprehensive Income	Through Profit or Loss	Designated at Fair Value through Profit or Loss	Sub-Total		
	(1.00)	(2.00)	(3.00)	(4.00)	(5) = (2)+(3)+(4)	(6.00)	(7) = (1)+(5)+(6)
Mutual funds	-	-	-		-	-	-
Total (A)	-	-	-		-	-	-
Investment outside India	-	-	-		-	-	-
Investment in India	-	-	-		-	-	-
Total (B)	-	-	-		-	-	-
Less: Impairment Loss **(C)**	-	-	-		-	-	-
Total Net (D = A - C)	-	-	-		-	-	-

T R Chadha & Co LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

Vastu Finserve India Private Limited

8 Other Financial Assets

(₹ in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Security Deposits	8.37	-
Interest Accrued but not due on Bank Deposits	-	4.88
Total	**8.37**	**4.88**

9 Current Tax Assets / Liability (Net)

(₹ in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
TDS Receivables	0.75	0.54
Total	**0.75**	**0.54**

10 Deferred Tax Assets / Liability (Net)*

(₹ in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Difference in WDV of Fixed Assets as per Books & Income Tax	(4.71)	0.97
Disallowances under section 43B of the Income Tax Act, 1961	0.18	(0.82)
Unrealised Profit on change in Fair Value of Mutual Funds	1.11	-
Effective Interest Rate on Fee Income & Expenses	0.81	-
Total	**(2.60)**	**0.15**

**Refer Note 34*

T R Chadha & Co LLP MUMBAI CHARTERED ACCOUNTANTS

Vastu Finserve India Private Limited

11 Property, Plant and Equipment

As at March 31, 2020 *(₹ in Lakh)*

Particulars	Gross Block				Depreciation				Net Block	
	As at April 01, 2019	Additions during the year	Disposals during the year	As at March 31, 2020	As at April 01, 2019	For the year	Disposal during the year	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
Computers and Peripherals	-	7.51	-	7.51	-	0.28	-	0.28	7.23	-
Office Equipments	-	0.98	-	0.98	-	0.06	-	0.06	0.92	-
Total	-	**8.49**	-	**8.49**	-	**0.34**	-	**0.34**	**8.15**	-

As at March 31, 2019 *(₹ in Lakh)*

Particulars	Gross Block				Depreciation				Net Block	
	As at April 01, 2018	Additions during the year	Disposals during the year	As at March 31, 2019	As at April 01, 2018	For the year	Disposal during the year	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018
Computers and Peripherals	-	-	-	-	-	-	-	-	-	-
Office Equipments	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-

12 Other Intangible Assets

As at March 31, 2020 *(₹ in Lakh)*

Particulars	Gross Block				Depreciation				Net Block	
	As at April 01, 2019	Additions during the year	Disposals during the year	As at March 31, 2020	As at April 01, 2019	For the year	Disposal during the year	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
Computer Software	22.07	7.36	-	29.43	0.67	6.80	-	7.47	21.96	21.40
Total	**22.07**	**7.36**	-	**29.43**	**0.67**	**6.80**	-	**7.47**	**21.96**	**21.40**

As at March 31, 2019 *(₹ in Lakh)*

Particulars	Gross Block				Amortisation				Net Block	
	As at April 01, 2018	Additions during the year	Disposals during the year	As at March 31, 2019	As at April 01, 2018	For the year	Disposal during the year	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018
Computer Software	-	22.07	-	22.07	-	0.67	-	0.67	21.40	-
Total	-	**22.07**	-	**22.07**	-	**0.67**	-	**0.67**	**21.40**	-

The Company has availed the deemed cost exemption in relation to the property, plant and equipment on the date of transition and hence the net block carrying amount has been considered as the gross block carrying amount on that date.

13 Right of Use Asset

(₹ in Lakh)

Particulars	Gross Block				Amortisation				Net Block	
	As at April 01, 2019	Additions during the year	Disposals during the year	As at March 31, 2020	As at April 01, 2019	For the year	Disposal during the year	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
Building	-	178.44	-	178.44	-	23.54	-	23.54	154.90	-
Total	-	**178.44**	-	**178.44**	-	**23.54**	-	**23.54**	**154.90**	-

T R Chadha & Co LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

India Private Limited

14 Other Non-financial Assets

(₹ in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Prepaid Expenses	9.04	-
Input GST	7.01	1.85
Total	**16.05**	**1.85**

15 Trade Payables

(₹ in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Payable to Micro and Small Enterprises	-	-
Payable to Creditors other than Micro and Small Enterprises	6.38	-
Total	**6.38**	-

The amounts due to Micro and Small Enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent of information available and compiled by the Company. This has been relied upon by the auditors.

15.1 Disclosure pertaining to Micro and Small Enterprises are as under:

(₹ in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
a) The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year;	-	-
b) 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	-	-
c) the amount of interest due and payable for the period of delay in making payment (which has 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	-	-
d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
e) 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.	-	-
Total	-	-

T R Chadha & Co LLP MUMBAI CHARTERED ACCOUNTANTS

Vastu Finserve India Private Limited

16 Other Financial Liabilities

(₹ in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Book Overdraft	-	-
Interest accrued but not due on borrowings	-	-
Employee Benefits Payable	0.88	-
Lease Rental Liability*	157.96	-
Other Financial Liabilities	44.78	4.47
Total	**203.63**	**4.47**

*The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis:

(₹ in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Less than 1 year	133.86	-
1 to 3 years	20.01	-
More than 3 years	4.09	-
Total	**157.96**	-

17 Provisions

(₹ in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for Employee Benefits		
- Gratuity*	0.94	-
Total	**0.94**	-

Refer Note 36

18 Other Non-Financial Liabilities

(₹ in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Installment received in advance	0.09	-
Statutory dues	2.72	0.01
Total	**2.81**	**0.01**

T R Chadha & Co LLP MUMBAI CHARTERED ACCOUNTANTS

Vastu Finserve India Private Limited

19 Equity Share Capital

(₹ *in Lakh*)

Particulars	As at March 31, 2020	As at March 31, 2019
AUTHORISED 10,00,00,000 Equity Shares of ₹10 each (FY 2019: 25,00,000 Equity Shares of ₹10 each)	10,000.00	250.00
	10,000.00	**250.00**
ISSUED, SUBSCRIBED AND FULLY PAID UP 5,25,00,000 Equity Shares of ₹10 each fully paid up (FY 2019: 25,00,000 Equity Shares of ₹10 each)	5,250.00	250.00
Total	**5,250.00**	**250.00**

19.1 Reconciliation of number of Equity Shares outstanding at the beginning and at the end of the reporting period

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number	₹ in Lakh	Number	₹ in Lakh
Shares outstanding at the beginning of the year	25,00,000	250.00	-	-
Shares issued during the year pursuant to right issue	5,00,00,000	5,000.00	25,00,000	250.00
Shares outstanding at the end of the year	**5,25,00,000**	**5,250.00**	**25,00,000**	**250.00**

19.2 Rights, Preferences and Restrictions

The Company has only one class of Equity Shares having a par value of ₹10 per share. Each shareholder of equity shares is eligible to one vote per share. The dividend, if any, proposed by the Board of Directors, is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of interim dividend. In the event of liquidation of the Company, the holders of Equity Shares will be eligible to receive the remaining assets of the company, after distribution of all preferential amounts, in proportion of their shareholding.

19.3 List of shares held by Holding Company

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number	%	Number	%
Vastu Housing Finance Corporation Limited	5,25,00,000	100%	25,00,000	100%

19.4 List of shareholders holding more than 5% shares

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number	%	Number	%
Vastu Housing Finance Corporation Limited	5,25,00,000	100%	25,00,000	100%

T R Chadha & Co LLP MUMBAI CHARTERED ACCOUNTANTS

Vastu Finserve India Private Limited

20 Other Equity

(₹ in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Share Application Money Pending Allotment	-	-
Retained Earnings	(195.10)	0.14
General Reserve	-	-
Securities Premium	-	-
Statutory / Special Reserve	-	-
Share Option Outstanding Account	-	-
Total	**(195.10)**	**0.14**

Note: For additions and deductions under each of the above heads, refer Statement of Changes in Equity

20.1 Retained Earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to General Reserve, Statutory Reserve, Dividends or other distributions paid to shareholders.

20.2 General Reserve

The general reserve created from time to time by transferring profits from retained earnings for appropriation purpose.

20.3 Securities Premium

Securities premium account is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

20.4 Statutory Reserve

Statutory Reserve is the reserve created by transferring a sum not less than twenty percent of the Company's net profit after tax every year in terms of Section 45-IC of the Reserve Bank of India Act, 1934. For this purpose any Special Reserve created by Company under section 36(1)(viii) of the Income Tax Act, 1961 is considered to be an eligible transfer. Further, Company doesn't anticipate any withdrawal from Statutory Reserve in foreseeable future.

20.5 Share Option Outstanding Account

This Reserve relates to Stock Options granted by the Company to employees under various ESOP Schemes. This Reserve is transferred to Securities Premium Account on exercise of vested options.

T R Chadha & Co LLP
MUMBAI
CHARTERED ACCOUNTANTS

Vastu Finserve India Private Limited

21 Interest Income

(At amortised cost)

(₹ in Lakh)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest Income on Loans	20.11	-
Other Interest Income*	0.76	-
Total	**20.87**	-

Other Interest Income includes notional interest on Security Deposit of ₹0.76 Lakhs.

22 Fees and Commission Income

(₹ in Lakh)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Fees and Commission Income	3.52	-
Total	**3.52**	-

23 Net Gain on Fair Value changes

(₹ in Lakh)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Net Gain / (Loss) on Financial Instruments at FVTPL		
On Trading Portfolio		
Mutual Fund	136.09	-
Total (A)	**136.09**	-
Fair Value Change		
Realised	131.22	-
Unrealised	4.86	-
Total (B)	**136.09**	-

24 Other Operating Income

(₹ in Lakh)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Other Charges (CERSAI, cancellation, cheque bouncing charges etc.)	0.18	-
Total	**0.18**	-

25 Other Income

(₹ in Lakh)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest Income on Fixed Deposit	2.08	5.42
Total	**2.08**	5.42

T R Chadha & Co LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

Vastu ... Private Limited

26 Finance Costs

(At amortised cost)

(₹ in Lakh)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest expense on lease liabilities	11.27	-
Other interest expense	0.06	0.01
Total	**11.33**	**0.01**

27 Impairment on Financial Instruments

(At amortised cost)

(₹ in Lakh)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Provision for Expected Credit Loss	1.75	-
Total	**1.75**	**-**

28 Employee Benefits Expense

(₹ in Lakh)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries, Bonus and other allowances	152.37	-
Contribution to Provident Fund and Other Funds*	3.64	-
Gratuity*	0.94	-
Staff Welfare Expenses	4.99	-
Total	**161.95**	-

**Refer Note 36*

29 Other Expenses

(₹ in Lakh)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Rent, Taxes and Energy Costs	2.74	-
Repairs and Maintenance	12.84	-
Communication Costs	2.69	-
Printing and Stationery	6.50	-
Advertisement and Publicity	0.26	-
Auditor's Fees and Expenses (refer details below)	0.25	0.42
Legal and Professional Charges	31.85	0.08
Insurance	0.31	-
Travelling Expenses	2.28	-
ROC Fees and Stamp Duty	92.70	-
Other Expenditure	2.63	3.95
Total	**155.04**	**4.45**

29.1 Auditor's Fees and Expenses

(₹ in Lakh)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
a) For Audit	0.25	0.16
b) For Taxation matters	-	-
c) For Certification and Other Services	-	0.26
Total	**0.25**	**0.42**

T R Chadha & Co LLP MUMBAI CHARTERED ACCOUNTANTS

Vastu Finserve India Private Limited

30 Taxes on Income

30.1 Reconciliation of Tax Expenses

(₹ in Lakh)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Current Tax	-	-
Deferred Tax	(2.75)	0.15
Total Income Tax recognised in Statement of Profit and Loss	**(2.75)**	**0.15**
Income Tax recognised in Other Comprehensive Income	-	-
Income Tax for the year reconciled to the accounting profit		
Profit before tax	(198.00)	0.29
Income tax rate	22.88%	19.24%
Income tax expense	-	0.06
Tax Effect of:		
Others (including tax adjustment for earlier years)	-	(0.06)
Income tax expense recognised in Profit and Loss	-	-

30.2 The following table shows Deferred Tax recorded in the Balance Sheet and changes recorded in the Income Tax

a) For the year ended March 31, 2020

(₹ in Lakh)

Particulars	As at March 31, 2019	Recognised in		As at March 31, 2020
		Profit or Loss	Other Comprehensive Income	
Difference in WDV of Fixed Assets as per Books & Income Tax	0.97	(5.68)	-	(4.71)
Disallowances under section 43B of the Income Tax Act, 1961	(0.82)	1.00	-	0.18
Unrealised Profit on change in Fair Value of Mutual Funds	-	1.11	-	1.11
Effective Interest Rate on Fee Income & Expenses	-	0.81	-	0.81
Total	0.15	(2.75)	-	(2.60)

b) For the year ended March 31, 2019

(₹ in Lakh)

Particulars	As at March 31, 2018	Recognised in		As at March 31, 2019
		Profit or Loss	Other Comprehensive Income	
Difference in WDV of Fixed Assets as per Books & Income Tax	-	0.97	-	0.97
Disallowances under section 43B of the Income Tax Act, 1961	-	(0.82)	-	(0.82)
Unrealised Profit on change in Fair Value of Mutual Funds	-	-	-	-
Effective Interest Rate on Fee Income & Expenses	-	-	-	-
Total	-	0.15	-	0.15

T R Chadha & Co LLP * CHARTERED ACCOUNTANTS * MUMBAI

Vastu Finserve India Private Limited

31 Contingent Liabilities and Capital Commitments

(₹ in Lakh)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Capital Commitments		
Undisbursed commitments	14.00	-
Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-

32 Earnings per Equity Share

(₹ in Lakh)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit attributable to Equity Shareholders (₹ in Lakh)	(195.24)	0.14
Weighted Average Number of Equity Shares - Basic	3,00,34,247	25,00,000
Dilutive effect of Stock Option (₹)	-	-
Weighted Average Number of Equity Shares - Diluted	3,00,34,247	25,00,000
Basic earnings per share (₹)	**(0.65)**	**0.01**
Diluted earnings per share (₹)	**(0.65)**	**0.01**
Nominal value per share (₹)	10.00	10.00

33 Segement Reporting

The Company operates in a single reportable operating segment of providing loans. Accordingly there are no separate reportable segments, as per the Accounting Standard on 'Operating Segments' (Ind AS 108) prescribed under section 133 of the Companies Act, 2013.

The Company has its operation within India and all revenues are generated within India.

34 Expenditure towards Corporate Social Responsibility as per Section 135 of the Companies Act, 2013 (read with schedule VII thereof)

The Company was not required to spend any amount towards CSR.

T R Chadha & Co LLP MUMBAI CHARTERED ACCOUNTANTS

Vastu Finserve India Private Limited

35 Retirement Benefit Plan

Defined Contribution Plan

The Company operates Defined Contribution Plan (Provident Fund) for all qualifying employees of the Company. The employees of the Company are members of a Retirement Contribution Scheme operated by the government. The Company is required to contribute a specified percentage of payroll cost to the Retirement Contribution Scheme to fund the benefits. The only obligation of the Company with respect to the plan is to make the specified contributions.

Particulars	March 31, 2020	March 31, 2019
Employers Contribution to Provident Fund	83,160.00	-

Defined Benefit Obligation Plan

The liability under the Payment of Gratuity Act,1972 are determined on the basis of actuarial valuation made at the end of each financial year using the Projected Unit Credit Method. The plan is of a final salary defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. The actuarial risks associated are:

i. Investment / Interest Rate Risk:

The Company is exposed to Investment / Interest Rate risk if the return on the invested fund falls below the discount rate used to arrive at present value of the benefit.

ii. Longevity Risks:

The Company is not exposed to risk of the employees living longer as the benefit under the scheme ceases on the employee separating from the employer for any reason.

iii. Salary Risks:

The gratuity benefits under the plan are related to the employee's last drawn salary. Consequently, any unusual rise in future salary of the employee raises the quantum of benefit payable by the company, which results in a higher liability for the company and is therefore a plan risk for the company.

The following table summarises the component of net benefit expense recognised in the Statement of Profit and Loss and amounts recognised in the Balance Sheet for the respective plans based on Acturial Report and relied upon by auditors.

a) Assumptions used for the purposes of the actuarial valuation

Particulars	March 31, 2020	March 31, 2019
Financial Assumptions		
Discount rate	6.35%	0.00%
Salary escalation rate	12.00%	0.00%
Demographic Assumptions		
Retirement age	58 years	N/A
Mortality rate table	IALM (2012-14)*	N/A

*Indian Assured Lives Mortality (2012-14) Ult.

b) Amount recognised in the Balance Sheet *(₹ in Lakh)*

Particulars	March 31, 2020	March 31, 2019
Present value of unfunded Defined Benefit Obligation	0.94	
Amount not recognised due to asset limit	-	-
Net Defined Benefit Liability/(Assets) recognised in Balance Sheet	**0.94**	-
Net Defined Benefit Liability/(Assets) bifurcated as follows		
Current	0.00	-
Non-Current	0.94	-

c) Expenses recognised in the Statement of Profit and Loss *(₹ in Lakh)*

Particulars	March 31, 2020	March 31, 2019
Current service cost	0.94	-
Past service cost	-	-
Administration expenses	-	-
Interest on net Defined Benefit Liability/(Asset)	-	-
(Gains)/Losses on 'curtailments and settlements'	-	-
Total expenses to be recognized in the Statement of Profit and Loss	**0.94**	-

d) Amount recorded in Other Comprehensive Income *(₹ in Lakh)*

Particulars	March 31, 2020	March 31, 2019
Opening amount recognised in OCI outside of Statement of Profit and Loss	-	-
Remeasurements during the period due to	-	-
Change in financial assumptions	-	-
Change in demographic assumptions	-	-
Experience adjustments	-	-
Actual return on Plan Assets less Interest in Plan Assets	-	-
Adjustment to recognise the effect of asset ceiling	-	-
Closing amount recognised in OCI outside of Statement of Profit and Loss	-	-

e) Reconciliation of net liability / (assets) *(₹ in Lakh)*

Particulars	March 31, 2020	March 31, 2019
Opening net Defined Benefit Liability / (Assets)	-	-
Expenses charged to Statement of Proft and Loss	0.94	-
Amount recognised in OCI outside of Statement of Profit and Loss	-	-
Employer Coontribution	-	-
Liabilities assumed on acqusition / (settled on divestiture)	-	-
Closing net Defined Benefit Liability / (Assets)	**0.94**	-

T R Chadha & Co LLP MUMBAI CHARTERED ACCOUNTANTS

Vastu Finserve India Private Limited

f) **Movement of Defined Benefit Obligation**

(₹ in Lakh)

Particulars	March 31, 2020	March 31, 2019
Opening present value of Defined Benefit Obligation	-	-
Current service cost	0.94	-
Past service cost	-	-
Interest on Defined Benefit Obligation	-	-
Remeasurements Losses/(Gains) due to:		
Change in financial assumptions	-	-
Change in demographic assumptions	-	-
Experience adjustments	-	-
Benefits Paid	-	-
Liabilities assumed on acqusition / (settled on divestiture)	-	-
Closing present value of Defined Benefit Obligation	0.94	-

g) **Movement of fair value of Plan Assets**

(₹ in Lakh)

Particulars	March 31, 2020	March 31, 2019
Opening Fair value of Plan Assets	-	-
Employer contributions	-	-
Interest on Plan Assets	-	-
Aministration expenses	-	-
Remeasurement due to actual return on Plan Assets less interest on Plan Assets	-	-
Benefits paid	-	-
Assets acquired / (settled)*	-	-
Closing fair alue of Plan Assets	-	-

*on account of business combination or inter-group transfer

h) **Movement of asset ceiling**

(₹ in Lakh)

Particulars	March 31, 2020	March 31, 2019
Opening value of asset ceiling	-	-
Interest on opening Value of asset ceiling	-	-
Remeasurement due to change in surplus/(deficit)	-	-
Closing value of asset ceiling	-	-

i) **Surplus / (Deficit)**

(₹ in Lakh)

Particulars	2019-20	2018 - 19
Defined Benefit Obligation	0.94	-
Plan Asset	-	-
Surplus / (Deficit)	(0.94)	-
Experience adjustment on Plan Liabilities	-	-
Experience adjustment on Plan Asset	-	-
Expected contribution next near	-	-

j) **Sensitivity analysis**

Significant actuarial assumptions for the determination of the Defined Benefit Obligation are Discount Rate and Expected Salary Increase. The sensitivity analysis below have been determined based on reasonable possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis are as follows :

(₹ in Lakh)

Particulars	March 31, 2020		March 31, 2019	
	Discount Rate	Salary Escalation Rate	Discount Rate	Salary Escalation Rate
Defined benefit obligation on increase in 50 bps	0.90	0.99	-	-
Impact of increase in 50 bps on DBO	-4.90%	-4.97%	0.00%	0.00%
Defined benefit obligation on decrease in 50 bps	0.99	0.90	-	-
Impact of decrease in 50 bps on DBO	-5.27%	-4.68%	0.00%	0.00%

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

There is no change in the method of valuation for the prior periods in preparing the sensitivity analysis. For change in assumptions refer to note (a) above.

Furthermore, in presenting the above sensitivity analysis, the Present Value of the Defined Benefit Obligation has been calculated using the Projected Unit Credit method at the end of the reporting period, which is the same as that applied in calculating the Defined Benefit Obligation recognised in the Balance Sheet.

h) **Projected benefits payable:**

(₹ in Lakh)

Particulars	March 31, 2020	March 31, 2019
Expected benefits for Year 1	0.00	-
Expected benefits for Year 2	0.00	-
Expected benefits for Year 3	0.00	-
Expected benefits for Year 4	0.00	-
Expected benefits for Year 5	0.23	-
Expected benefits for Year 6	0.20	-
Expected benefits for Year 7	0.15	-
Expected benefits for Year 8	0.13	-
Expected benefits for Year 9	0.11	-
Expected benefits for year 10 and above	1.18	-

The weighted average duration to the payment of these cash flows is 10.25 years (FY 2018-19 : Nil)

T R Chadha & Co LLP
MUMBAI
CHARTERED ACCOUNTANTS

Vastu Finserve India Private Limited

36 Related Party Disclosures

36.1 List of related parties:

a) Holding Company
Vastu Housing Finance Corporation Limited

b) Key Managerial Personnels (KMPs)
Sandeep Menon - Whole Time Director
Vikki Soni - Chief Financial Officer
Pallavi Bhambere - Company Secretary

36.2 Disclosure of Related Party Transactions:

(₹ in Lakh)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
1. Investment in Equity Shares by:		
Vastu Housing Finance Corporation Limited	5,000.00	250.00
2. Managerial remunerations*		
(included in employee benefit expenses)		
Sandeep Menon - Whole Time Director	Nil	Nil
Vikki Soni - Chief Financial Officer	Nil	Nil
Pallavi Bhambere - Company Secretary	Nil	Nil
3. Reimbursement of expenses		
Vastu Housing Finance Corporation Limited	Nil	4.02

**The remuneration to the key managerial personnel does not include the provisions made for gratuity benefits, as they are determined on an actuarial basis for the Company as a whole.*

36.3 Amount due to / from Related Parties:

Particulars	As at March 31, 2020	As at March 31, 2019
Net Receivable / (Payable)		
Vastu Housing Finance Corporation Limited	Nil	4.02

36.4 Amount paid to Directors:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
	Nil	Nil

<u>Note:</u>
Related party relationship is as identified by the company and relied upon by the auditors.
The transactions with Related Parties are disclosed only till the relationship exists.

T R Chadha & Co LLP
MUMBAI
CHARTERED ACCOUNTANTS

37 First-time Ind AS adoption

37.1 Effect of Ind AS adoption on the Balance Sheet

(₹ in Lakh)

	Particulars	Note No.	As at March 31, 2020			As at March 31, 2019		
			Previous GAAP	Effect of Transition to Ind AS	Ind AS	Previous GAAP	Effect of Transition to Ind AS	Ind AS
I	**ASSETS**							
1	**Financial Assets**							
a	Cash and Cash Equivalents	5	67.43	-	67.43	226.09	-	226.09
b	Bank Balances (other than Cash and Cash Equivalents)	6	-	-	-	-	-	-
c	Loans	7	349.47	(1.19)	348.28	-	-	-
d	Investments	8	4,635.31	4.86	4,640.18	-	-	-
e	Other Financial Assets	9	12.30	(3.93)	8.37	4.88	-	4.88
			5,064.51	**(0.26)**	**5,064.26**	**230.97**	-	**230.97**
2	**Non-Financial Assets**							-
a	Current Tax Assets (Net)	10	0.75	-	0.75	0.54	-	0.54
b	Deferred Tax Assets (Net)	11	-	2.60	2.60		-	-
b	Property, Plant and Equipment	12	8.15	-	8.15	-	-	-
c	Other Intangible Assets	13	21.96	-	21.96	21.40	-	21.40
d	Right of Use Asset	14	-	154.90	154.90	-	-	-
e	Other Non-financial Assets	15	20.17	(4.12)	16.05	1.85	-	1.85
			51.03	**153.38**	**204.41**	**23.80**	-	**23.80**
	TOTAL		**5,115.54**	**153.12**	**5,268.66**	**254.77**	-	**254.77**
II	**LIABILITIES AND EQUITY**							
	LIABILITIES							
1	**Financial Liabilities**							
a	Trade Payables	16						
	Total Outstanding dues to Micro and Small Enterprises		-	-	-	-	-	-
	Total Outstanding dues to Creditors other than Micro and Small Enterprises		6.38	-	6.38	-	-	-
b	Other Financial Liabilities	17	1.02	202.61	203.63	-	4.47	4.47
			7.40	**202.61**	**210.01**	-	**4.47**	**4.47**
2	**Non-Financial Liabilities**							
a	Deferred Tax Liabilities (Net)	11	0.86	(0.86)	-	0.15	-	0.15
b	Provisions	18	2.69	(1.75)	0.94	-	-	-
c	Other Non-financial Liabilities	19	47.46	(45.00)	2.81	4.47	(4.47)	0.01
			51.01	**(47.61)**	**3.76**	**4.63**	**(4.47)**	**0.16**
	EQUITY				-			-
a	Equity Share Capital	20	5,250.00	-	5,250.00	250.00	-	250.00
b	Other Equity	21	(192.87)	(2.23)	(195.10)	0.14	0.00	0.14
			5,057.13	**(2.23)**	**5,054.90**	**250.14**	**0.00**	**250.14**
					-			-
	TOTAL		**5,115.54**	**152.77**	**5,268.66**	**254.77**	-	**254.77**

T R Chadha & Co LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

Vastu Finserve India Private Limited

37.2 Effect of Ind AS adoption on the Statement of Profit & Loss

(₹ in Lakh)

	Particulars	Note No.	For the year ended March 31, 2020			For the year ended March 31, 2019		
			Previous GAAP	Effect of Transition	Ind AS	Previous GAAP	Effect of Transition	Ind AS
I	**INCOME**							
	Revenue from Operations							
a	Interest Income	22	19.04	1.63	20.67	-	-	-
b	Fees and Commission Income	23	10.01	(6.49)	3.52	-	-	-
c	Net Gain on Fair Value changes	24	131.22	4.86	136.09	-	-	-
d	Other Operating Income	25	0.18	-	0.18	-	-	-
	Total Revenue from Operations		**160.46**	**0.21**	**160.67**	-	-	-
d	Other Income	26	2.08	-	2.08	5.42	-	5.42
	Total Income		**162.54**	**0.21**	**162.74**	**5.42**	-	**5.42**
II	**EXPENSES**							
a	Finance Costs	27	0.06	11.27	11.33	0.01	-	0.01
b	Impairment on Financial Instruments	28	1.75	-	1.75	-	-	-
c	Employee Benefits Expense	29	156.96	4.99	161.95	-	-	-
d	Depreciation, Amortisation & Impairement	0	7.14	23.54	30.68	0.67	-	0.67
e	Other Expenses	30	188.94	(33.90)	155.04	4.45	-	4.45
	Total Expenses		**354.84**	**5.90**	**360.74**	**5.13**	-	**5.13**
III	**PROFIT BEFORE TAX**		**(192.31)**	**(5.69)**	**(198.00)**	**0.29**	-	0.29
IV	**TAX EXPENSES**							
	Current Tax		-	-	-	-	-	-
	Deferred Tax		0.71	(3.46)	(2.75)	0.15	-	0.15
	Total Tax Expense	31	**0.71**	**(3.46)**	**(2.75)**	**0.15**	-	0.15
V	**PROFIT AFTER TAX**		**(193.01)**	**(2.23)**	**(195.24)**	**0.14**	-	0.14
VI	**OTHER COMPREHENSIVE INCOME**							
	Items that will not be reclassified to Profit or Loss							
	Actuarial loss on Post Retirement Benefit Plans		-	-	-	-	-	-
	Income tax on above		-	-	-	-	-	-
	Total Other Comprehensive Income		-	-	-	-	-	-
VII	**TOTAL COMPREHENSIVE INCOME**		**(193.01)**	**(2.23)**	**(195.24)**	**0.14**	-	0.14
VIII	**EARNINGS PER EQUITY SHARE**	32						
	(Nominal Value of ₹10 each)							
	Basic (₹)		**(0.64)**	(0.01)	**(0.65)**	**0.01**	(0.00)	0.01
	Diluted (₹)		**(0.64)**	(0.01)	**(0.65)**	**0.01**	(0.00)	0.01

T R Chadha & Co LLP
MUMBAI
CHARTERED ACCOUNTANTS

Vastu Finserve India Private Limited

37.3 Reconciliation of Total Equity as at March 31, 2020 and April 01, 2019 and Profit or Loss for the year ended March 31, 2020:

(₹ in Lakh)

Particulars	Net Profit Reconciliation	Equity Reconciliation	
	For the year ended March 31, 2020	As at March 31, 2020	As at March 31, 2019
Net Profit / Equity for the year as per previous GAAP	(193.01)	5,057.13	250.14
IndAS Adjustments:			
Provision for Expected Credit Loss	-	-	-
Effective Interest Rate for Financial Assets and Liabilities at amortised cost	(3.56)	(3.56)	-
Notional Interest Income on Security Deposits	0.76	0.76	
Fair value of change in Financial Assets	4.86	4.86	-
Rent Expenses on Lease Rental Liability	27.05	27.05	-
Notional Finance Cost on Lease Rental Liability	(11.27)	(11.27)	
Amortisation of Right of Use Asset	(23.54)	(23.54)	-
Fair value of Employee Stock Option	-	-	-
Reclassification of actuarial gains and losses on employee benefit plans to other comprehensive income	-	-	-
Deferred tax impact on the above	3.46	3.46	-
Total	**(2.23)**	**(2.23)**	-
Net profit / Equity for the year as per Ind AS	**(195.24)**	**5,054.90**	**250.14**
Other Comprehensive Income (net of tax)	-	-	-
Total Comprehensive income / Equity as per Ind AS	**(195.24)**	**5,054.90**	**250.14**

37.4 Effect of Ind AS adoption on the Statement of Cash Flows for the year ended March 31, 2019:

(₹ in Lakh)

Particulars	As per Previous GAAP	Effect of transition to Ind AS	As per Ind AS Balance sheet
Cash Flow from / (used in) Operating Activities	(640.22)	(26.28)	(613.93)
Cash Flow from / (used in) Investing Activities	(4,517.72)	(4.74)	(4,512.98)
Cash Flow from / (used in) Financing Activities	5,000.00	31.74	4,968.26
Net (decrease) / increase in cash and cash equivalents	**(157.94)**	**0.72**	**(158.66)**
Cash and cash equivalents at the beginning of the year	226.09	-	226.09
Cash and cash equivalents at the end of the year	**68.16**	**0.72**	**67.43**

The cash flow adjustments are primarily on account of Ind AS reclassification.

Note:
For the periods up to and including the year ended March 31, 2019, the Company prepared its financial statements under the accounting standards notified under Section 133 of the Companies Act, 2013, read together with the Companies (Accounting Standards) Rules, 2006, as amended (Previous GAAP). Accordingly, the Company has prepared its first financial statements to comply with Ind AS for the year ending March 31, 2020, together with comparative information as at and for the year ended March 31, 2019. In preparing these financial statements, the Company prepared its opening Balance Sheet as of April 1, 2018, i.e. the transition date to Ind AS for the Company. Previous GAAP financial statements as on April 1, 2018, being transition date and for the previous year ended March 31, 2019, have been restated as per Ind AS.

T R Chadha & Co LLP MUMBAI CHARTERED ACCOUNTANTS

Vastu Finserve India Private Limited

37.5 Exemption Availed

a) Deemed cost for property, plant and equipment and intangible assets :
The Company has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets recognised as of April 1, 2018 (the transition date), measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date under Ind AS.

b) Classification and measurement of financial assets :
The Company has classified the financial assets under Ind AS 109 - 'Financial Instruments' based on facts and circumstances that exist at the date of transition to Ind AS.

c) Fair value of financials assets and liabilities :
As per Ind AS exemption, the Company has not fair valued the financial assets and liabilities retrospectively and has measured the same prospectively.

d) Impairment of financial assets
The Company has applied the exception related to impairment of Financial Assets given in Ind AS 101. It has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that Financial Assets were initially recognized and compared that to the credit risk as at April 1, 2018.

e) Expected Credit Loss (ECL) on financial assets
Under Indian GAAP, the Company has created provision for loans and advances based on the guidelines on prudential norms issued by Reserve Bank of India. Under Ind AS, impairment allowance has been determined based on the Expected Credit Loss model (ECL). However, as the Company have little historical information about its own credit loss experience, the Expected Credit Loss has been calculated based on self-experience, peer group experience for comparable financial instruments as allowed as per Ind AS 109.

f) Investments
Under Previous GAAP, Investments in Mutual Funds are valued at Lower of Cost or Net Assets Value. Under Ind AS the same has been classified as FVTPL and gain/loss on change in Net Assets Value are recognised in profit and loss.

g) Effective Interest Rate (EIR)
Under previous GAAP, transaction costs (processing fee) charged to customers was recognised upfront while under Ind AS, such costs are included in the initial recognition amount of financial asset and recognised as interest income using the effective interest method. Similarly, Under Indian GAAP, transaction costs incurred in connection with loans and advances are amortised upfront and charge to profit and loss for the year. Under Ind AS, transactions cost are included in the initial recognition amount of financial assets measured at amortised cost and charged to profit and loss using the effective interest method.

Under previous GAAP, transaction costs incurred on borrowings was charged to Statement of Profit and Loss while under Ind AS, such costs are included in the initial recognition amount of financial liabilities and recognised as interest expense using the Effective Interest Rate (EIR) method.

h) Deferred Tax on Special Reserve
Under the Previous GAAP, as per RBI guidelines Deferred Tax Liability is required to be created on Special Reserve. Under Ind AS, there is no requirement of creating Deferred Tax Liability on account of Special Reserve as such the same

The application of Ind AS 12 - 'Income Tax' approach has resulted in the various transitional adjustments being temporary differences. Accordingly, the Company has accounted for such differences. These adjustments are recognised in co-relation to the underlying transaction either in Retained Earnings, Other Comprehensive Income or Profit & Loss

i) Defined Benefit Obligation
Both under previous GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under previous GAAP, the entire cost, including actuarial gain and losses, are charged to profit or loss. Under Ind AS, remeasurements comprising of actuarial gains and losses are recognised in other comprehensive

T R Chadha & Co LLP MUMBAI CHARTERED ACCOUNTANTS

Vastu Finserve India Private Limited

VASTU FINSERVE INDIA PRIVATE LIMITED

Notes to Financial Statement for the year ended March 31, 2020

38 Maturity Analysis of Assets and Liabilities

(₹ in Lakh)

Sr. No.	Particulars	As at March 31, 2020			As at March 31, 2019		
		Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
I	**ASSETS**						
1	**Financial Assets**						
a	Cash and Cash Equivalents	67.43	-	67.43	226.09	-	226.09
b	Bank Balances (other than Cash and Cash Equivalents)	-	-	-	-	-	-
b	Loans	16.80	331.47	348.28	-	-	-
c	Investments	4,640.18	-	4,640.18	-	-	-
d	Other Financial Assets	-	8.37	8.37	4.88	-	4.88
		4,724.41	**339.84**	**5,064.26**	**230.97**	-	**230.97**
2	**Non-Financial Assets**						
a	Current Tax Assets (Net)	-	0.75	0.75	-	0.54	0.54
b	Deferred Tax Assets (Net)	-	2.60	2.60	-	-	-
c	Property, Plant and Equipment	-	8.15	8.15	-	-	-
d	Other Intangible Assets	-	21.96	21.96	-	21.40	21.40
e	Right of Use Asset	14.92	139.98	154.90	-	-	-
f	Other Non-financial Assets	16.05	-	16.05	1.85	-	1.85
		30.97	**173.44**	**204.41**	**1.85**	**21.95**	**23.80**
	TOTAL	**4,755.38**	**513.28**	**5,268.66**	**232.82**	**21.95**	**254.77**
II	**LIABILITIES AND EQUITY**						
	LIABILITIES						
1	**Financial Liabilities**						
a	Trade Payables	6.38	-	6.38	-	-	-
b	Other Financial Liabilities	179.53	24.10	203.63	4.47	-	4.47
		185.91	**24.10**	**210.01**	**4.47**	-	**4.47**
2	**Non-Financial Liabilities**						
a	Deferred Tax Liabilities (Net)	-	-	-	-	0.15	0.15
b	Provisions	-	0.94	0.94	-	-	-
c	Other Non-Financial Liabilities	2.81	-	2.81	0.01	-	0.01
		2.81	**0.94**	**3.76**	**0.01**	**0.15**	**0.16**
	TOTAL	**188.72**	**25.05**	**213.77**	**4.47**	**0.15**	**4.63**

T R Chadha & Co LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

Vastu Finserve India Private Limited

39 Financial Instruments

39.1 Capital Management

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

The Company manages its capital to ensure that the company will be able to continue as going concern while maximizing the return to stakeholders through the optimization of the Debt and Equity balances.

For the purpose of the Company's capital management, Capital includes issued capital and other equity reserves

The gearing ratios are as follows

(₹ in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Debt	-	-
Equity	5,054.80	250.14
Debt to Equity Ratio *(times)*	0.00	0.00

In order to achieve this overall objective, the company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in financial covenants would permit the lender to immediately call-off loans and borrowings. Under the terms of the major borrowing facilities, the company complies with the covenants throughout the reporting period.

39.2 Fair Value

The following table combines comparable information about

- Classes of Financial Instruments based on their nature and characteristics,
- Carrying Amounts of Financial Instruments
- Fair Values of Financial Instruments (except Financial Instruments when Carrying Amount approximates their Fair Value), and
- Fair Value hierarchy levels of Financial Assets and Financial Liabilities for which Fair Value was disclosed.

Set out below is a comparison by class of the Carrying Amounts and Fair Value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values.

Accounting Classifications and Fair Values

As at March 31, 2020

(₹ in Lakh)

Particulars	Carrying Value				Fair Value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Cash and Cash Equivalents	-	-	67.43	67.43	-	-	-	-
Other Bank Balances	-	-	-	-	-	-	-	-
Loans	-	-	348.28	348.28	-	-	-	-
Investments	4,640.18	-	-	4,640.18	4,640.18	-	-	4,640.18
Other Financial Assets	-	-	8.37	8.37	-	-	-	-
TOTAL	4,640.18	-	424.08	5,054.26	4,640.18	-	-	4,640.18
Financial Liabilities								
Trade Payables	-	-	6.38	6.38	-	-	-	-
Other Financial Liabilities	-	-	203.63	203.63	-	-	-	-
TOTAL	-	-	210.01	210.01	-	-	-	-

As at March 31, 2019

(₹ in Lakh)

Particulars	Carrying Value				Fair Value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Cash and Cash Equivalents	-	-	226.09	226.09	-	-	-	-
Other Bank Balances	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-
Other Financial Assets	-	-	4.88	4.88	-	-	-	-
TOTAL	-	-	230.97	230.97	-	-	-	-
Asset held for sale	-	-	210.01	210.01	-	-	-	-
Financial Liabilities								
Trade Payables	-	-	-	-	-	-	-	-
Other Financial Liabilities	-	-	4.47	4.47	-	-	-	-
TOTAL	-	-	4.47	4.47	-	-	-	-

Note

a) For financial assets and liabilities measured at amortised cost other than as mentioned in (a) above, the Company considers that the carrying amounts recognised in the financial statements approximate their fair values except as under.

Fixed Rate Debt Securities	Carrying Value		Fair Value	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Debt Securities & Borrowings other than short-term Debts	-	-	-	-

Note: Fair value is determined by discounting the contractual cashflows using weighted average rate of variable rate borrowing.

b) Asset held for sale - Real estate properties are valued on the basis of a well progressed sale process with price quotes from real estate valuers.

39.3 Financial Risk Management

The Company has exposure to the following risks arising from financial instruments:

- Credit Risk
- Operational Risk
- Liquidity Risk, and
- Market Risk (including Interest Rate Risk)

Risk Management Framework

Risk Management is an integral part of the Company's business strategy with a focus on building risk management culture across the organization. The Risk Management oversight structure includes Committees of the Board and Senior Management Committees. Risk Management Framework which lays down guidelines for Risk identification, assessment and monitoring as an on-going process that is supported by a robust risk reporting framework. It entails the establishment of robust systems and processes within the Risk Management Framework to mitigate risks effectively. Risk Management at the Company covers Credit Risk, Market Risk, Operational Risk, Fraud Risk and other risks, such as compliance risk, reputation risk and other risks.

Risk Management systems have been evaluated in detail and are discussed at every Board meeting outside of Board meeting. Detail review of Risk MIS, Portfolio quality reports, collection MIS, Data analytics report and various other analytics and risk matrix are the cornerstones of Vastu's Risk Management which has been certified as best in class and indicated by performance.

The Risk management framework adopted is enabled by the risk-oriented Company level culture characterized by:

i. The rigour and discipline required in managing the portfolio and transactional risk are embedded in the Vastu culture with a consensus that risk management is everyone's responsibility.

i. Staff members across all verticals appreciate it and actively partake in ensuring that risk management remains strong, even as the Company makes incremental strides in its business growth.

ii. An iterative process of identifying and evaluating risks, setting risk strategies, and monitoring results are within the oversight by Senior Management & Board of Directors, via Risk Management Committee.

T R Chadha & Co LLP MUMBAI CHARTERED ACCOUNTANTS

Vastu Finserve India Private Limited

i. **Credit Risk**

Credit risk refers to the risk of the inability of the borrower to repay the loan availed due to any circumstance. In any lending operation, credit risk remains on the top of all risks to be managed well. Therefore, managing credit risk in the business has remained a priority. The credit risk management framework that has been put together by the Company constitutes a robust alignment of the following

- Well-constructed detailed manuals guiding the teams on the company policies and processes which are approved by the Board backed by technology, analytics and decision science. The documents articulate in detail the various products and programs that can be offered to the customers, with clearly defined norms for all the credit parameters across all product variants and programs.

- State-of-the-art technology platform built in-house to support the capture of data, information and other details required for decision making. The technology application is available to the users on their mobile phones for use. Every staff member, when they meet a customer for collection of any data, information or document, the mobile application facilitates the capture of the same. Vastu is the first Company to implement an entirely paperless loan approval and disbursal process
- Data science know-how supporting the underwriting process, wherein a well-curated data scoring model, produces an application-level score, defining the probability of default for each loan at the time of approval. This score supports the credit decision process at each loan level, even as the qualitative factors of each loan are appraised in detail by the team.
- Structured and standardized credit approving process, which includes a well-established procedure of comprehensive credit appraisal across all the markets Company operates
- Measurement, monitoring and reporting of the Credit risk are regularly done during periodic reviews and Risk Management Committee meetings using detailed Portfolio Quality reports.

An experienced, well-trained, professional team are working on exercising adequate rigour and discipline in the process of customer assessment. The team undergoes adequate refresher training sessions and interactive sessions with the senior leadership at frequent intervals reinforcing the rigour and discipline required in the evaluation process. The credit appraisal process used by the team encompasses identification of underlying risks, mitigating factors and residual risks associated with the customer.

The credit team works closely with the relationship management team in ensuring that growth of the business in every location is well supported while maintaining the focus on the asset quality

Credit Approval Authority

As a part of the risk management framework, the Company has well-defined metrics for delegation of authorities for standard approvals and deviation approvals. The sanctioning authorities delegated to individual staff members, based on defined norms of the Company on the staff members' experience, position and knowledge of the business.

Credit Risk Assessment methodology for retail loans

The Company follows a bureau led approach besides of right customers, the launch of new markets with high delinquencies. The Company has a dedicated team to develop a robust technology platform to digitize processes, risk management and analytics. It enables the sales officer to input customer records online, digitize customer documents, record customer discussions, and check the credit score real-time. The system backed by data science, analytics along with a physical on-ground model where every customer met by a the Company's employee and personal credit decision done has enabled the team to pursue leads with a higher probability of sanctions while rejecting weak applications upfront and reducing incidents of frauds and misrepresentations.

The Company's credit officers evaluate credit proposals based on active credit policies as on the date of approval. A structured and standardized credit approval process includes customer selection criteria, comprehensive credit risk assessment and cash flow analysis, which encompasses an analysis of relevant quantitative and qualitative information to ascertain the creditworthiness of a potential customer. The criteria also include factors such as the borrower's income & obligations, the loan-to-value ratio, Fixed obligation to income ratio and demographic parameters subject to regulatory guidelines. Any deviations are approved at the designated levels. The various process controls such as KYC checks, credit bureau report analysis are undertaken. Company's staff performs comprehensive due diligence process, including visits to customer's business and residence premises. The completeness of customer documentation, loan documentation, creation of security and compliance with regulatory guidelines are reviewed. The retail loans are fully secured with immovable properties and have full recourse against the borrower. The Company has an equitable mortgage over the collateral immovable properties and works in compliance with the individual State laws.

Risk Management and Portfolio Review

The Company has a comprehensive portfolio monitoring process under which there is a monthly review of portfolio asset quality and efficiency of its collection processes. The portfolio monitoring process engages all the members of senior leadership in studying the behaviour of various portfolio segments. These reviews are done in the monthly Risk Management Committee meetings. Based on these reviews, well-informed, data-driven decision are taken in giving the future direction to the policies of the Company. The collection efficiency review focusses on formulating and implementing location-based collection strategies. In this manner, Company analyses the portfolio performance of each product segment regularly, and use these as inputs in revising the product programs, target market definitions and credit assessment criteria to meet the twin objectives of combining volume growth and maintenance of asset quality.

As a part of the RMC meetings, the Company also reviews various other process adherences for retail borrowers, to ensure that the terms of sanctions and disbursements have been met. The technology platform of the Company has appropriate mechanisms to carve out and publish exception at granular, segmental levels that help in ensuring a well-structured watch on process adherence.

The Company has a central monitoring unit that on an on-going basis, conducts a thorough review and audit of the quality of the credit appraisal and documentation that has been done by the different teams across locations. This process ensures that any gaps noticed in the location level processing of the loans are immediately identified, and corrective action is taken. There is also an internal auditor who independently reviews adherence to policies and processes, carries out an internal audit and briefs the Audit Committee and the Board periodically.

The Company's current credit risk grading

Category	Basis for recognising Expected Credit Loss
Stage 1	Outstanding between 0 to 30 days
Stage 2	Outstanding between 31 to 90 days
Stage 3	Outstanding for more than 90 days

The key elements in calculation of Expected Credit Loss (ECL) are as follows:

a) Probability of Default (PD) – It is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. The PD has been determined based on historical behaviour of the book & roll rates for retail and comparative Financial Instruments of peer group companies.

b) Exposure at Default (EAD) – The estimated credit exposure at point of default.

c) Loss Given Default (LGD) – It is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD. The LGD is determined based on valuation of collaterals and other relevant factors.

The table below shows the credit quality and the exposure to credit risk based on the year-end stage classification. The amounts presented are gross of Impairment Allowances.

As at March 31, 2020 *(₹ in Lakh)*

Category	Assets Cateogory	Gross Carrying Amount	Expected Credit Loss	Net Carrying Amount
Stage 1 – High quality assets	Loan	349.47	1.75	347.72
Stage 2 – Assets for which there is significant increase in credit risk	Loan	-	-	-
Stage 3 – Credit impaired assets	Loan	-	-	-
Total		349.47	1.75	347.72

As at March 31, 2019 *(₹ in Lakh)*

Category	Assets Cateogory	Gross Carrying Amount	Expected Credit Loss	Net Carrying Amount
Stage 1 – High quality assets	Loan	-	-	-
Stage 2 – Assets for which there is significant increase in credit risk	Loan	-	-	-
Stage 3 – Credit impaired assets	Loan	-	-	-
Total		-	-	-

T R Chadha & Co LLP MUMBAI CHARTERED ACCOUNTANTS

Vastu Finserve India Private Limited

An analysis of changes in the Gross Carrying Amount and the corresponding Impairement Allowance in relation to loans:

a) Gross Carrying Amount

As at March 31, 2020 (₹ In Lakh)

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount Opening Balance	-	-	-	-
New Asset originated or purchased / further increased in existing asset (net)	349.47	-	-	349.47
Assets repaid in part or full (excluding write offs)	-	-	-	-
Assets derecogised (loans assigned)	-	-	-	-
Transfers to / (from) Stage 1	-	-	-	-
Transfers to / (from) Stage 2	-	-	-	-
Transfers to / (from) Stage 3	-	-	-	-
Amount written-off	-	-	-	-
Gross carrying amount Closing Balance	349.47	-	-	349.47

As at March 31, 2019 (₹ In Lakh)

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount Opening Balance	-	-	-	-
New Asset originated or purchased / further increased in existing asset (net)	-	-	-	-
Assets repaid in part or full (excluding write offs)	-	-	-	-
Assets derecogised (loans assigned)	-	-	-	-
Transfers to / (from) Stage 1	-	-	-	-
Transfers to / (from) Stage 2	-	-	-	-
Transfers to / (from) Stage 3	-	-	-	-
Amount written-off	-	-	-	-
Gross carrying amount Closing Balance	-	-	-	-

b) Expected Credit Loss Allowance

As at March 31, 2020 (₹ In Lakh)

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL alowance Opening Balance	-	-	-	-
New Asset originated or purchased / further increased in existing asset (net)	1.75	-	-	1.75
Assets repaid in part or full (excluding write offs)	-	-	-	-
Assets derecogised (loans assigned)	-	-	-	-
Transfers to / (from) Stage 1	-	-	-	-
Transfers to / (from) Stage 2	-	-	-	-
Transfers to / (from) Stage 3	-	-	-	-
Amount written-off	-	-	-	-
Excess Provision (reversed)	-	-	-	-
ECL allowance Closing Balance	1.75	-	-	1.75

As at March 31, 2019 (₹ In Lakh)

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL alowance Opening Balance	-	-	-	-
New Asset originated or purchased / further increased in existing asset (net)	-	-	-	-
Assets repaid in part or full (excluding write offs)	-	-	-	-
Assets derecogised (loans assigned)	-	-	-	-
Transfers to / (from) Stage 1	-	-	-	-
Transfers to / (from) Stage 2	-	-	-	-
Transfers to / (from) Stage 3	-	-	-	-
Amount written-off	-	-	-	-
Excess Provision (reversed)	-	-	-	-
ECL allowance Closing Balance	-	-	-	-

Significant estimates and judgements related to impairment of financial assets

The impairment provisions for financial assets disclosed above are based on assumptions about the risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's history, existing market conditions as well as forward-looking estimates at the end of each reporting period.

The Company's first year full year of operation is FY 2019-20 and accordingly, up to the date of transition, very little historical information about its own experience of impairment is available. As on March 31, 2020, no account is above 90 days past dues. In such scenarios, peer group experience for the comparable financial instrument (or groups of financial instruments) has been used as prescribed in Ind AS.

ii. **Operational Risk**

The Company has a sound operational process framework and infrastructure, which governs and mitigates the operational risks that arise in the business. Operational risks refer to risk of loss arising from failure of any of the internal processes, people frauds, vendor frauds, system malfunctions or from any external events. The operations risk management framework for the Company consists of the following components

- A comprehensive system of internal controls, wherein the performance of each unit/branch is monitored against defined thresholds. Thresholds are defined for various operational risk areas. These thresholds are monitored regularly, which helps in identification and assessment of various operational risks, managing and responding to specific operational incidents and mitigation through appropriate process and control enhancements. Operational risk management comprises identification and assessment of risks and controls, new products and process approval framework, measurement through operational risk incidents, monitoring through key risk indicators and mitigation through process and control enhancement.

- A sound network of professional vendors across the country to support the Company in its process of collateral evaluation. This network consists of lawyers and valuation agencies which operate under the close supervision of the local and Head Office teams of the Company. Every security that comes to Vastu as a part of its loan is evaluated thoroughly by the lawyers for a clear title and inspected by a valuer for determination of the market value. These processes ensure that there is adequate security cover available to Vastu during the process of lending. The title certification as a clear and marketable property is necessary for the Company to respond in default situations where actions under SARFAES or any other laws may be required.A comprehensive system of internal controls, wherein the performance of each unit/branch is monitored against defined thresholds. Thresholds are defined for various operational risk areas. These thresholds are monitored regularly, which helps in identification and assessment of various operational risks, managing and responding to specific operational incidents and mitigation through appropriate process and control enhancements. Operational risk management comprises identification and assessment of risks and controls, new products and process approval framework, measurement through operational risk incidents, monitoring through key risk indicators and mitigation through process and control enhancement.

- Fully technology-enabled to process pre and post disbursal processes and account maintenance. The home-grown mobile application used by the front-end teams to collect data and sanction the loans is seamlessly integrated with the back-end system to provide automated feeds, effecting smooth processing of loans with all checks and controls in place.

iii. **Liquidity Risk**

Liquidity risk is the current and prospective risk arising out of an inability to meet financial commitments as they fall due, through available cash flows or the sale of assets at fair market value. It includes both the risk of unexpected increases in the cost of funding an asset portfolio at appropriate maturities and the risk of being unable to liquidate a position on time at a reasonable price.

The Company manages liquidity risk by maintaining sufficient cash and marketable securities and by having access to funding through an adequate amount of committed credit lines. Given the need to fund diverse products, the Company maintains flexibility in funding by maintaining availability under committed credit lines to meet obligations when due. Management regularly monitors the position of cash and cash equivalents vis-a-vis projections. Assessment of maturity profiles of Financial Assets and Financial Liabilities including Debt financing plans and maintenance of Balance Sheet Liquidity Ratios are considered while reviewing the liquidity position.

The Company manages liquidity risk under our asset-liability management policy. This policy is framed as per the current regulatory guidelines and approved by the Board of Directors. The asset-liability management policy reviewed periodically to incorporate changes as required by regulatory stipulation or to realign the policy with changes in the economic landscape.

The Company has the right to draw upon these lines of credit based on its requirement and terms of draw down.

T R Chadha & Co LLP MUMBAI CHARTERED ACCOUNTANTS

Vastu Finserve India Private Limited

Exposure to Liquidity Risk
The following are the details of Company's remaining contractual maturities of Financial Liabilities and Financial Assets at the reporting date. The amounts are gross and undiscounted.

As at March 31, 2020 *(₹ in Lakh)*

Particulars	Contractual Cash Flows				
	Carrying Amount	0 - 1 Year	1 - 3 Years	3 - 5 Years	> 5 years
Financial Assets					
Cash and Cash Equivalents	67.43	67.43	-	-	-
Loans	348.28	16.80	32.45	42.90	256.13
Investments	4,640.18	4,640.18	-	-	-
Other Financial Assets	8.37	8.37	-	-	-
Total	5,064.26	4,732.78	32.45	42.90	256.13
Financial Liabilities					
Trade Payables	6.38	6.38	-	-	-
Other Financial Liabilities	203.63	179.53	24.10	-	-
Total	210.01	185.91	24.10	-	-

As at March 31, 2019 *(₹ in Lakh)*

Particulars	Contractual Cash Flows				
	Carrying Amount	0 - 1 Year	1 - 3 Years	3 - 5 Years	> 5 years
Financial Assets					
Cash and Cash Equivalents	226.09	226.09	-	-	-
Loans	-	-	-	-	-
Investments	-	-	-	-	-
Other Financial Assets	4.88	4.88	-	-	-
Total	230.97	230.97	-	-	-
Financial Liabilities					
Trade Payables	-	-	-	-	-
Other Financial Liabilities	4.47	-	-	-	-
Total	4.47	-	-	-	-

The gross inflows disclosed in the above table represent the contractual undiscounted cash flows relating to Financial Liabilities held for risk management purposes and which are not usually closed out before contractual maturity.

iv. **Market Risk (Interest Rate Risk)**

The Company is exposed to interest rate risk as it has assets and liabilities based on floating interest rates as well.

Exposure to Interest Rate Risk
The Company's exposures to interest rates on Financial Assets and Financial Liabilities are detailed in the liquidity risk management section of this note.

(₹ in Lakh)

Particulars	March 31, 2020	March 31, 2019
Financial Assets		
Fixed-rate instruments	-	-
Floating-rate instruments	348.28	-
Total	348.28	-
Financial Liabilities		
Fixed-rate instruments	-	-
Floating-rate instruments	-	-
Total	-	-

Fair value sensitivity analysis for floating-rate instruments

The sensitivity analysis below has been determined based on exposure to the interest rates for Financial Instruments at the end of the reporting periods, and the stipulated change taking place at the beginning of the Financial Year and held constant throughout the reporting period in case of instruments that have floating rates.

If interest rates had been 100 basis points higher or lower and all other variables were constant, the Company's Profit Before Tax would have changed by the following.

Particulars	March 31, 2020		March 31, 2019	
	100 bps higher	100 bps lower	100 bps higher	100 bps lower
Floating Rate - Loans	3.48	(3.48)	-	-
Floating Rate - Borrowings	-	-	-	-
Total	3.48	(3.48)	-	-

Vastu Finserve India Private Limited

T R Chadha & Co LLP
MUMBAI
CHARTERED ACCOUNTANTS

40 Disclosures required as per Reserve Bank of India Master Direction – Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

LIABILITIES SIDE

1) Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:

	Particulars	As at March 31, 2020		As at March 31, 2019	
		Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
(a)	Debentures				
	-Secured	-	-	-	-
	-Unsecured (other than falling within the scope of public deposit)	-	-	-	-
(b)	Deferred Credit	-	-	-	-
(c)	Term Loans	-	-	-	-
(d)	Inter-Corporate Loans and Borrowings	-	-	-	-
(e)	Commercial Paper	-	-	-	-
(f)	Public Deposits	-	-	-	-
(g)	Other Loans	-	-	-	-

ASSETS SIDE

2) Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:

	Particulars	As at March 31, 2020	As at March 31, 2019
(a)	Secured	349.47	-
(b)	Unsecured	-	-

3) Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities:

	Particulars	As at March 31, 2020	As at March 31, 2019
(a)	**Lease assets including lease rentals under sundry debtors:**		
	(i) Financial Lease	-	-
	(ii) Operating Lease	-	-
(b)	**Stock on hire including hire charges under sundry debtors:**		
	(i) Assets on Hire	-	-
	(ii) Repossessed Assets	-	-
(c)	**Other Loans counting towards assets financing activities**		
	(i) Loans where assets have been repossessed	-	-
	(ii) Loans other than (a) above	-	-

4) Break-up of Investments:

	Particulars	As at March 31, 2020	As at March 31, 2019
Current Investments			
(a)	**Quoted**		
	(i) Shares		
	- Equity	-	-
	- Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of Mutual Funds	4,635.31	-
	(iv) Government Securities	-	-
	(v) Others	-	-
(b)	**Unquoted**		
	(i) Shares		
	- Equity	-	-
	- Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of Mutual Funds	-	-
	(iv) Government Securities	-	-
	(v) Others	-	-
Long-Term Investments			
(a)	**Quoted**		
	(i) Shares		
	- Equity	-	-
	- Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of Mutual Funds	-	-
	(iv) Government Securities	-	-
	(v) Others	-	-
(b)	**Unquoted**		
	(i) Shares		
	- Equity	-	-
	- Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of Mutual Funds	-	-
	(iv) Government Securities	-	-
	(v) Others	-	-

T R Chadha & Co LLP MUMBAI CHARTERED ACCOUNTANTS

Vastu Finserve India Private Limited

5) Borrower group-wise classification of assets financed as in (3) and (4) above:

	Category	Amount net of Provisions		
		Secured	Unsecured	Total
(a)	Related Parties			
	(i) Subsidiaries	-	-	-
	(ii) Companies in the same group	-	-	-
	(iii) Other related parties	-	-	-
(b)	Other than related parties	-	-	-
	Total	-	-	-

6) Investor group-wise classification of all investments (current and long term) in Shares and Securities (both quoted and unquoted):

	Category	Market Value/ Fair Value/ NAV	Book Value (Net of Provisions)
(a)	Related Parties		
	(i) Subsidiaries	-	-
	(ii) Companies in the same group	-	-
	(iii) Other related parties	-	-
(b)	Other than related parties	-	-
	Total	-	-

7) Other Information:

	Particulars	Market Value/ Fair Value/ NAV
(a)	Gross Non-Performing Assets	
	(i) Related Parties	-
	(ii) Other than related parties	-
(b)	Net Non-Performing Assets	
	(i) Related Parties	-
	(ii) Other than related parties	-
(c)	Assets acquired in satisfaction of debt	-
	Total	-

MUMBAI CHARTERED ACCOUNTANTS

Vastu Finserve India Private Limited

41 Additional disclosures required as per Reserve Bank of India Master Direction

41.1 Capital

(₹ in Lakh)

Particulars	March 31, 2020	March 31, 2019
CRAR (%)	**109.01%**	**4036.66%**
CRAR – Tier I Capital (%)	108.97%	4036.66%
CRAR – Tier II Capital (%)	0.03%	0.00%
Amount of subordinated debt raised as Tier- II Capital	-	-
Amount raised by issue of Perpetual Debt Instruments	-	-

41.2 Investments

(₹ in Lakh)

Particulars	March 31, 2020	March 31, 2019
Value of Investments		
i. Gross Value of Investment		
a) In India	4,635.31	-
b) Outside India	-	-
ii. Provision for Depreciation		
a) In India	-	-
b) Outside India	-	-
iii. Net Value of Investment		
a) In India	4,635.31	-
b) Outside India	-	-
Movement of provision held towards depreciation on Investment		
i. Opening Balance	-	-
ii. Add: Provisions made during the year	-	-
iii. Less: Write-off / Write-back of excess provosions during the year	-	-
iv. Closing Balance	-	-

41.3 Asset Liability Management Maturity Pattern of certain items of Assets and Liabilities

Maturity pattern of certain items of Assets and Liabilities

As at March 31, 2020

(₹ in Lakh)

Particulars	Liabilities		Assets	
	Borrowings from Banks & Others	Market Borrowings - CP NCD ICD	Advances	Investments
1 month	-	-	1.00	-
Over 1 - 2 months	-	-	1.01	-
Over 2 - 3 months	-	-	1.02	-
Over 3 - 6 months	-	-	3.15	-
Over 6 - 12 months	-	-	6.70	-
Over 1 - 3 years	-	-	32.95	-
Over 3 - 5 years	-	-	43.56	-
Over 5 - 7 years	-	-	50.54	-
Over 7 - 10 years	-	-	98.75	-
Over 10 years	-	-	110.79	-
Total	-	-	**349.47**	-

As at March 31, 2019

(₹ in Lakh)

Particulars	Liabilities		Assets	
	Borrowings from Banks & Others	Market Borrowings - CP NCD ICD	Advances	Investments
1 month	-	-	-	-
Over 1 - 2 months	-	-	-	-
Over 2 - 3 months	-	-	-	-
Over 3 - 6 months	-	-	-	-
Over 6 - 12 months	-	-	-	-
Over 1 - 3 years	-	-	-	-
Over 3 - 5 years	-	-	-	-
Over 5 - 7 years	-	-	-	-
Over 7 - 10 years	-	-	-	-
Over 10 years	-	-	-	-
Total	-	-	-	-

T R Chadha & Co LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

Vastu Finserve India Private Limited

In computing the above information, certain estimates, assumption and adjustments have been made by the management which have been relied upon by the auditors.

41.4 Exposure to Real Estate Sector

(₹ in Lakh)

Category	March 31, 2020	March 31, 2019
Direct exposure		
i. Residential Mortgages - Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented;	349.47	-
ii. Commercial Real Estate ** - Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure shall also include non-fund based limits.	-	-
iii. Investments in Mortgaged Backed Securities (MBS) and other securitised exposures -		
a. Residential	-	-
b. Commercial Real Estate	-	-
Total Exposure to Real Estate Sector	**349.47**	-

*** the exposure represents construction finance for residential buildings*

In computing the above information, certain estimates, assumption and adjustments have been made by the management which have been relied upon by the auditors.

41.5 Exposure to Capital Market

(₹ in Lakh)

	Particulars	March 31, 2020	March 31, 2019
i.	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	-	-
ii.	Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
iii.	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
iv.	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	-	-
v.	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
vi.	Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
vii.	Bridge loans to companies against expected equity flows / issues;	-	-
viii.	all exposures to Venture Capital Funds (both registered and unregistered)	-	-
	Total Exposure to Capital Market	-	-

41.6 Ratings assigned by Credit Rating Agencies and migration of ratings during the year

(₹ in Lakh)

Type of Facility	CRA	Amount	Rating assigned	March 31, 2019
Bank Loan Facility - CRISIL	CRISIL	25,000.00	CRISIL A/Stable	Nil

41.7 Provisions & Contingencies

(₹ in Lakh)

Particulars	March 31, 2020	March 31, 2019
Break up of 'Provisions and Contingencies' shown under the head Expenditure in Statement Profit and Loss		
i. Provisions for depreciation on Investment	-	-
ii. Provision towards NPA	-	-
iii. Provision made towards Income tax	-	-
iv. Provision for Standard Assets	1.75	-
v. Other Provision and Contingencies	-	-

T R Chadha & Co LLP MUMBAI CHARTERED ACCOUNTANTS

42 Disclosure in line with RBI's circular DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020

March 31, 2020

(₹ in Lakh)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (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)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	349.47	1.75	347.72	0.87	0.87
	Stage 2	-	-	-		-
Subtotal		**349.47**	**1.75**	**347.72**	**0.87**	**0.87**
Non-Performing Assets (NPA)						
a) Substandard	Stage 3	-	-	-	-	-
b) Doubtful						
-up to 1 year	Stage 3	-	-	-	-	-
-1 to 3 years	Stage 3	-	-	-	-	-
-more than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		-	-	-	-	-
c) Loss Asset	Stage 3	-	-	-	-	-
Subtotal for NPA		-	-	-	-	-
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
TOTAL	Stage 1	349.47	1.75	347.72	0.87	0.87
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
	TOTAL	**349.47**	**1.75**	**347.72**	**0.87**	**0.87**

Disclosure in line with RBI's circular DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020

March 31, 2019

(₹ in Lakh)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (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)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	-	-	-	-	-
	Stage 2	-	-	-		-
Subtotal		-	-	-	-	-
Non-Performing Assets (NPA)						
a) Substandard	Stage 3	-	-	-	-	-
b) Doubtful						
-up to 1 year	Stage 3	-	-	-	-	-
-1 to 3 years	Stage 3	-	-	-	-	-
-more than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		-	-	-	-	-
c) Loss Asset	Stage 3	-	-	-	-	-
Subtotal for NPA		-	-	-	-	-
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
TOTAL	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
	TOTAL	-	-	-	-	-

43 Disclosure in line with RBI's circular DOR DOR.No.BP.BC.63/21.04.048/2019-20 dated April 17, 2020 for the year ended March 31, 2020

(₹ in Lakh)

Particulars	Amount
i) Respective amounts in SMA / overdue categories, where the moratorium / deferment was extended, in terms of paragraph 2 and 3	-
ii) Respective amount where asset classification benefits is extended	-
iii) Provisions made during the Q4FY2020 in terms of paragraph 5	-
iv) Provisions adjusted during the respective accounting periods against slippages and the residual provisions in terms of paragraph 6	-

T R Chadha & Co LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

Vastu Finserve India Private Limited

44 The spread of COVID-19 across the globe and India has contributed to a significant decline and volatility in economic activity and financial markets. The outbreak of the virus has already been declared a global pandemic by the World Health Organization (WHO) on March 11, 2020. On March 24, 2020, the Indian government announced a strict 21-day lockdown which extended by 19 days. The extent to which the COVID-19 pandemic impacts the Company's results depends on future developments. The developments are highly uncertain, including, among other things, any new information concerning the severity of the said pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by the Company.

In accordance to guidelines on COVID 19 - regulatory package issued by RBI dated March 27, 2020, and April 17, 2020, the Company may grant a moratorium of three months. Payment of all instalments as applicable, falling due between March 1, 2020, and May 31, 2020, to all eligible borrowers classified as Standard, even if overdue, as on February 29, 2020. For all such accounts where the moratorium is granted, the asset classification shall remain standstill during the moratorium period (i.e. the number of days past-due shall exclude the moratorium period for asset classification).

The Company holds provisions as of March 31, 2020, against the potential impact of COVID-19 based on the information available at this point. The provisions held by the Company are more than the RBI prescribed norms.

45 Expenditure in Foreign Currency

(₹ in Lakh)

Particulars	March 31, 2020	March 31, 2019
Expenditure in Foreign Currency	-	-

46 Balance grouped under loans and advances in certain cases are subject to confirmation and reconciliation. Impact of the same, if any, shall be accounted as and when determined, which are not expected to be material.

In the opinion of the management, the loans and advances are approximately of the value stated, if realized, paid in ordinary course of business. The provision for all known liabilities are adequate and are not in excess of amount considered reasonably necessary.

47 There is no amount due and payable to micro and small suppliers registered under the Micro, Small and Medium Enterprises Development Act, 2006 at the end of the year other than as disclosed. No interest has been paid/ is payable by the Company during / for the year to these 'Suppliers' other than as disclosed. The above information takes into account only those suppliers who have submitted their registration details or has responded to the inquiries made by the Company for this purpose.

48 Previous year figures have been re-grouped / re-arranged and re-classified wherever necessary, to conform to the current year's classification.

As per our report of even date attached

For **M/s T R Chadha & Co LLP**
Firm Registration No.: 06711N/N500028
Chartered Accountants

T R Chadha & Co LLP MUMBAI CHARTERED ACCOUNTANTS

Vikas Kumar

Vikas Kumar
Partner
Membership No. 075363

Date: **April 29, 2020**
Place: **Mumbai**

For and on behalf of the Board of Directors of
Vastu Finserve India Private Limited

Sandeep Menon
Whole Time Director
(DIN: 02032154)

Sudhir Variyar
Director
(DIN: 00168672)

Vastu Finserve India Private Limited

Vikki Soni
Chief Financial Officer

Pallavi Bhambere
Company Secretary