BOARD'S REPORT

Dear Members

Your Directors have pleasure in presenting their Twenty Fourth Annual Report together with the audited statements of Accounts for the period ended 31st March 2020.

1. THE FINANCIAL SUMMARY OR HIGHLIGHTS:

The highlights of the Financial Statements of the Company for the Financial Years 2018-2019 and 2019-20 are as under:

(INR In Lakhs)

Particulars	Year Ended 31-03-2020	Year Ended 31-03-2019
Revenue from operations	22,395.64	14,388.54
Other income	50.13	39.33
Total Revenues	22,445.77	14,427.87
Employee Benefit Expenses	5,494.82	3,611.30
Finance Costs	9,636.48	6,363.88
Depreciation, amortization & impairment	487.55	251.46
Net loss on fair value changes	25.38	9.05
Impairment of financial instruments	1,606.26	3,635.78
Other Expenses	2,579.11	1,599.57
Total Expenses	19,829.60	15,471.04
Profit/ Loss before Tax	2,616.17	(1,043.17)
Tax Expenses	805.15	(268.84)
Profit of the year after Tax	1,811.02	(774.33)
Other Comprehensive Income	31.99	(33.84)
Total Comprehensive Income	1843.01	(808.17)
Transfer to Reserves	386.16	165.80
Less: Dividend paid on Equity Shares	NIL	NIL

Less: Dividend paid on Preference Shares	NIL	NIL
Less: Dividend Distribution Tax	NIL	NIL
Balance carried forward	1,456.85	(973.97)

The Financial Statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016. The Company has adopted Ind AS from 01 April 2019 with an effective transition date of 01 April 2018.

This transition to Ind AS has been carried out from the erstwhile Accounting Standards notified under the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (amended), guidelines issued by the RBI and other generally accepted accounting principles in India (collectively referred to as the "Previous GAAP").

In accordance with the Board approved moratorium policy read with the Reserve Bank of India (RBI) guidelines dated March 27, 2020 and April 17, 2020 relating to 'COVID-19 - Regulatory Package', the Company has granted moratorium unto three months on the payment of instalments falling due between March 1, 2020 and May 31, 2020 to all eligible borrowers.

The impact of COVID-19 on the global economy and how governments, businesses and consumers respond is uncertain. This uncertainty is reflected in the Company's assessment of impairment loss allowance on its loans which are subject to a number of management judgements and estimates. In relation to COVID-19, judgements and assumptions include the extent and duration of the pandemic, the impacts of actions of governments and other authorities, and the responses of businesses and consumers in different industries, along with the associated impact on the global economy. The Company has separately incorporated estimates, assumptions and judgements specific to the impact of the COVID-19 pandemic and the associated support packages in the measurement of impairment loss allowance which resulted in an additional provision.

The Company stress tested its Asset Liability Mis-match ("ALM") position and observed that the Company does not have a cumulative negative mismatch up till 12 months from the balance sheet date. Further, the Company has received moratorium from majority of its lenders, basis which the Management is reasonably certain that the ALM position would remain positive for at least 12 months from the Balance sheet date.

The Board believes that the Company has considered all the possible impact of the currently known events arising out of COVID-19 pandemic in the preparation if financials results. However, since the impact assessment of COVID-19 is a continuing process given its uncertainty nature and duration, this may have a corresponding impact on the financial position and financial performance. The company will continue to monitor any material changes to the future economy.

During the Financial Year 2019-20, the Company has disbursed INR 59,620.43 Lakhs as compared to INR 52,025.91 Lakhs in previous year. The Company has grown its Assets Under Management ("AUM") from INR 67,210.89 Lakhs in March, 2019 to INR 85,337.51 Lakhs in March, 2020. The net worth increased from INR 16,464.70 Lakhs to INR 20,075.57 Lakhs backed by equity infusion of INR 1,620.16 (net of share issue expenses) Lakhs and total comprehensive income of INR 1,843.01 lakhs

2. DIVIDEND:

Your Directors do not recommend any dividend for the year under review.

3. TRANSFER TO RESERVES:

The Company has created following reserves out of the profit of the company during the year.

a. Pursuant to Section 45-IC of Reserve Bank of India Act, INR 362.20 Lakhs was transferred to statutory reserves.
b. Pursuant to RBI notification RBI 2019-20/170/DOR/NBFC.CCPDNo. 109/22.10.106/2019-20 dated 13th March 2020, INR 23.96 lakhs was transferred to Impairment reserves.

Except above no other amounts have been transferred to any reserves. Profit of the company has been kept in the retained earnings account

4. CHANGE IN NATURE OF BUSINESS

During the year, there was no change in the nature of business of the Company

5. MATERIAL CHANGES AND COMMITMENTS, IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENT RELATE AND THE DATE OF THE REPORT:

No Material changes and commitments, affecting the financial position of the company have occurred between the end of the financial year of the company to which the financial statement relate and the date of the report.

6. CAPITAL EXPENDITURE:

During the year under review, the Company has spent INR 994.24 Lakhs on growth capex, which includes INR 467.73 Lakhs on Information Technology (hardware and software). This has been incurred to increase the operational efficiency of the Company.

7. RBI GUIDELINES:

Our Company continues to be a Systemically Important Non-Deposit taking NBFC with assets size of INR 99,692.68 Lakhs as on 31 March, 2020. The Company has been in compliance with all the applicable regulations of the Reserve Bank of India.

In compliance with RBI Master Direction on Liquidity Risk Management for Non-Banking Financial Companies and Core Investment Companies, the Company has disclosed information in the annual Financial Statements as note 49 to accounts that enables market participants to make an informed judgement about the soundness of its liquidity risk management framework and liquidity position.

8. CAPITAL ADEQUACY:

As on 31st March, 2020, the Capital Adequacy Ratio of the Company is 28.80% as against the minimum capital adequacy requirements of 15% as stipulated by RBI.

9. DEPOSITS:

The Company has not accepted any deposits for the Financial Year ended 31st March, 2020 within the meaning of the provisions of the the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016 and provisions of Companies Act, 2013.

10. CREDIT RATING:

During the Financial Year 2019-20, Credit Analysis & Research Limited ('CARE') reaffirmed its ratings on the Company's bank loans at BBB (stable outlook). Further, the ICRA Limited & India Ratings & Research Private Limited reaffirmed its ratings on the Company's bank loans at BBB- (stable outlook).

11. SHARE CAPITAL:

i. <u>Issued & Paid-up Share Capital:</u>

During the year under review, the Company had issued and allotted 3,14,680 Class A1 Equity Shares of INR 10/- each at a premium of INR 509.03/- (Indian Rupees Five Hundred Nine And Three Paise only) aggregating to INR 16,33,28,360.40/- (Indian Rupees Sixteen Crores Thirty Three Lakhs Twenty Eight Thousand Three Hundred Sixty And Forty Paise) on preferential allotment/private placement basis.

ii. <u>Issue of Compulsorily Convertible Debentures:</u>

During the year under review, the Board has allotted 7,393 (Seven Thousand Three Hundred And Ninety Three) Unsecured Compulsorily Convertible Debentures to Ms.

Hardika Shah against receipt of application money. The disclosures pertaining to the same are as follows:

a. Date of Issue: 23rd March, 2019
b. Date of Allotment: 10th June, 2019
c. Method of Allotment: Rights Issue
d. Issue Price: INR 519.038/-
e. Conversion Price: INR 519.038
f. Number of shares allotted/to be allotted in case the right is exercised by all the holders of such securities: 7,393 Class A1 Equity Shares
g. Number of shares/securities allotted to the promoter group (including shares represented by depository receipts): 7,393 Class A1 Equity Shares
h. In case, shares/securities are issued for consideration other than cash, a confirmation that price was determined on the basis of a valuation report of a registered valuer: Not Applicable

iii. **DETAILS OF EMPLOYEES STOCK OPTION SCHEME [Rule 12 (9) of the Companies (Share Capital and Debentures) Rules, 2014]:**

During the year under review, the shareholders at the Extra-Ordinary General Meeting held on June 10, 2019 approved the amendment of Visage ESOP Plan 2014 and Visage ESOP Plan 2017 to reduce 18,108 un-granted stock options under the ESOP Plan 2014 and amendment include 18,108 stock options under the ESOP Plan, 2017 respectively.

ESOP Plan 2014:

The total options issuable under the Visage ESOP Plan 2014 are 62,592 options. The stock options are issued to eligible employees based on recommendation of Company's Nomination & Remuneration Committee. Under the plan, these options vest over a period of 4 (Four) years and can be exercised at any time for a maximum period of 10 (Ten) years during employment or within 6 (Six) months from the date of separation.

ESOP Plan 2017:

The total options issuable under the Visage ESOP Plan 2017 are 1,23,108 options. The stock options are issued to eligible employees based on recommendation of Company's Nomination & Remuneration Committee. Under the plan, these options vest over a period of 4 (Four) years and can be exercised at any time for a maximum period of 10 (Ten) years during employment or within 6 (Six) months from the date of separation.

Details of the Employees Stock Option Scheme are as under: -

Sl. Nos.	Particulars	ESOP 2014	ESOP 2017
1	(a) options granted	62,592	1,20,000
2	(b) options vested	62,592	18,812
3	(c) options exercised	NIL	NIL
4	(d) the total number of shares arising as a result of exercise of option	NIL	NIL
5	(e) options lapsed	NIL	NIL
6	(f) the exercise price	INR 11/-	INR 415.56/-, 519.03/-
7	(g) variation of terms of options	NA	NA
8	(h) money realized by exercise of options	NIL	NIL
9	(i) total number of options in force	62,592	1,20,000
10	(j) employee wise details of options granted during the period.	NIL	NIL
10.1	(i) Key Managerial Personnel	Mr. Thirunavukkarasu Rajendran, Director No. of Options Granted: 62,592	Mr. Thirunavukkarasu Rajendran Director No. of Options Granted: 41,000
			Ms. Aiswarya Ravi, Chief Financial Officer No. of Options Granted: 21,000
	(j) any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year	NIL	NIL
	(k) identified employees who were granted option, during any one year, equal to or exceeding one percent percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.	NIL	NIL

SOP Plan 2014

The total options issuable under the Visage SOP Plan 2014 are 1,85,200. During the year under review, 15000 options were issued to eligible persons.

iv. Issue of Non-Convertible Debentures:

During the year under review, the Company has issued and allotted Non-Convertible Debentures as disclosed below:

a. Date of Issue: 10th June, 2019
b. Date of Allotment: Series A Debentures: 27th June, 2019
   Series B Debentures: 04th July, 2019
c. Number of Debentures: Series A Debentures- 1200
   Series B Debentures- 2000
d. Method of Issue: Private Placement basis
e. Issue Price: INR 1,00,000/- (Indian Rupees One Lakh only)

f. Coupon Rate: 13.09% per annum payable monthly
g. Maturity Date: 36 months from the date of allotment of Series B Debentures
h. Amount of Debentures: INR 32,00,00,000/- (Indian Rupees Thirty Two Crores) by way of (a) 1200 rated, listed, taxable, senior, unsecured, redeemable non-convertible debentures each having face value of INR 1,00,000/- (Indian Rupees One Lakh only) aggregating to INR 12,00,00,000/- (Indian Rupees Twelve Crores only) for cash at par **("Series A Debentures")** and (b) 2000 rated, listed, taxable, senior, unsecured, redeemable non-convertible debentures each having face value of INR 1,00,000/- (Indian Rupees One Lakh only) aggregating to INR 20,00,00,000/- (Indian Rupees Twenty Crores only) for cash at par **("Series B Debentures")**.

v. Redemption of Non-Convertible Debentures:

During the year under review, the Company had redeemed Non-Convertible Debentures as disclosed below:

Name of Instrument	Date of Issue	Date of Allotment	Number of Debentures	Issue Price	Coupon Rate	Date of Approval of redemption	Date of Redemption	Amount of Debentures
J Group Debt Instrument Series 1-1200	03.07.2017	04.07.2017	1200	1,00,000	13.50%	05.06.2019	03.07.2019	INR 12 Crores
F Group Debt Instrument Series 1-204	30.01.2017	31.01.2017	204	10,00,000	13.40%	20.01.2020	30.01.2020	INR 20.40 Crores

12. CREDIT RATING OF DEBT SECURITIES:

The credit rating details of all the securities as on 31st March, 2020 are as follows:

Sl. Nos.	Name of Instrument	Name of Rating Agency	Date of Rating
1.	F Group-Debt Instrument Series 1-120	CARE BBB	13.09.2016
2.	BO Series-Debt Instrument Series-1-320	CARE BBB	15.02.2018
3.	MEF Series Debt Instruments Series 1-320	ICRA BBB-	30.03.2018

4.	MEF UTI Series-Debt Instrument Series 1-320	CARE BBB	23.07.2018
5.	AAV Series-Debt Instrument Series 1-175	ICRA BBB-	11.10.2018
6.	MEF UTI Series-Debt Instrument Series 1-280	CARE BBB	05.11.2018
7.	NAC Series-Debt Instrument Series 1-7500000	CARE BBB	21.12.2018
8.	VCPL Series-Debt Instrument Series 1-75 (Series A)	CARE BBB	23.01.2019
9.	KCL Series-Debt Instrument Series-1-10000000	CARE BBB	29.01.2019
10.	VCPL Series-Debt Instrument Series 1-75 (Series B)	CARE BBB	23.01.2019
11.	AAV Series-Debt Instrument Series 1-26350	ICRA BBB-	05.03.2019
12.	BOMF-MIFA- Debt Instrument Series-01-600	CARE BBB	08.03.2019
13.	KCL Series-Debt Instrument Series-1-5000000	CARE BBB	09.03.2019
14.	UNIFI AIF Debt Instrument Series 1-3200	CARE BBB	25.06.2019

13. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

During the year under review, Ms. Bhavna Thakur (DIN: 07068339) was reappointed as an Independent Director for a second term of 5 (five) consecutive years effective January 28. 2020 by the shareholders at its Extra-Ordinary General Meeting held on March 16, 2020 pursuant to approval of the Board at its meeting held on December 12, 2019.

The current composition of the Board of Directors is as below:

Sl No.	Name of Director	Designation & Category
1	Hardika Shah	CEO & Executive Director
2	Thirunavukkarasu R	Executive Director
3	Rahil Feroze Rangawala	Non-Executive Director
4	Geoffrey T Woolley	Non-Executive Director
5	Agustin Vitorica	Non-Executive Director
6	Ranjit Shah	Non-Executive Director
7	Sunil Gulati	Independent Director
8	Bhavna Thakur	Independent Director
9	Ravindra Pisharody	Independent Director

14. DECLARATION BY INDEPENDENT DIRECTORS UNDER SECTION 149(6) OF THE COMPANIES ACT, 2013:

The Company had received necessary declaration by Independent Directors under Section 149(6) of the Companies Act, 2013 for the period under review.

15. BOARD MEETINGS

The Board has met 8 (Eight) times during the Financial Year 2019-20. The Board Meetings were held with time gap of not more than one hundred and twenty days.

The meetings of Board of Directors and their attendance are as given below:

Sl. No	Date of Meeting	Presence of Directors								
		Hardika Shah	Thirunavukkarasu R	Rahil Feroze Rangawala	Geoffrey T Woolley	Agustin Vitorica	Ranjit Shah	Sunil Gulati	Bhavna Thakur	Ravindra Pisharody
1	28.04.2019	Y	Y	N	Y	N	N	N	N	N
2	07.05.2019	Y	Y	Y	N	Y	Y	Y	Y	Y
3	10.06.2019	Y	Y	Y	N	N	Y	Y	N	N
4	31.07.2019	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	21.10.2019	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	12.12.2019	Y	Y	Y	Y	N	Y	Y	Y	Y
7	04.02.2020	Y	Y	Y	Y	Y	Y	Y	N	Y
8	17.02.2020	Y	Y	Y	N	N	N	N	Y	N

Y – Yes
N- No
N.A. – Not Applicable

16. COMMITTEE MEETINGS

a. Audit Committee

The Audit Committee comprised of the following Directors as members:

Mr. Sunil Gulati - Chairperson
Ms. Bhavna Thakur - Member
Mr. Ranjit Shah– Member

The Audit Committee was reconstituted as on 12th December, 2019 comprising of the following members:

Mr. Sunil Gulati - Chairperson
Ms. Bhavna Thakur - Member
Mr. Agustin Vitorica – Member

As a measure of good corporate governance, the Audit Committee was further reconstituted as on 17th February, 2020 by appointing Mr. Ravindra Pisharody comprising of the following members:

Sunil Gulati- Chairperson
Bhavna Thakur - Member
Agustin Vitorica - Member
Ravindra Pisharody-Member

The Audit Committee has met 5 (Five) times during the Financial Year 2019-20. The Audit Committee Meetings were held with time gap of not more than one hundred and twenty days. The meetings of Audit Committee and attendance of the members are as given below:

Sl. Nos.	Date of Meeting	Presence of Members				
		Sunil Gulati	Bhavna Thakur	Ranjit Shah	Agustin Vitorica	Ravindra Pisharody
1	07.05.2019	Y	Y	Y	NA	NA
2	31.07.2019	Y	Y	Y	NA	NA
3	17.10.2019	Y	Y	Y	NA	NA
4	12.12.2019	Y	Y	Y	NA	NA
5	04.02.2020	Y	N	N	Y	NA

Y – Yes
N- No
N.A. – Not Applicable

b. NOMINATION & REMUNERATION COMMITTEE:

The Nomination & Remuneration Committee ("**NRC**") comprised of the following Directors as members:

Ms. Bhavna Thakur - Chairperson
Mr. Sunil Gulati - Member
Mr. Agustin Vitorica – Member

The Nomination & Remuneration Committee ("NRC") was reconstituted as on 12th December, 2019 comprising of the following members:

Ms. Bhavna Thakur - Chairperson
Mr. Sunil Gulati - Member
Mr. Rahil Feroze Rangwala – Member

The NRC Committee has met 3 (Three) times during the Financial Year 2019-20. The meetings of NRC Committee and attendance of the members is as given below:

Sl. Nos.	Date of Meeting	Presence of Members			
		Bhavna Thakur	Sunil Gulati	Agustin Vitorica	Rahil Feroze Rangwala
1	03.05.2019	Y	Y	Y	NA
2	31.07.2019	Y	Y	Y	NA
3	12.12.2019	N	Y	Y	NA

Y – Yes
N- No
N.A. – Not Applicable

c. CSR COMMITTEE

The Board of Directors in its meeting held on 7th May, 2019, approved the constitution of the CSR Committee comprising of the following members:

1. Mr. Ravindra Pisharody- Chairperson
2. Ms. Hardika Shah- Member
3. Mr. Geoffrey T. Woolley- Member

The CSR Committee has met 3 (Three) times during the financial year 2019-20. The meeting of CSR Committee and attendance of the members is as given below:

Sl. Nos.	Date of Meeting	Presence of Members		
		Ravindra Pisharody	Hardika Shah	Geoffrey T. Woolley
1	31.07.2019	Y	Y	Y
2	12.12.2019	Y	Y	Y
3	04.02.2020	Y	Y	Y

Y – Yes
N- No
N.A. – Not Applicable

d. BORROWING COMMITTEE:

The Borrowing Committee has met 14 (Fourteen) times during the Financial Year 2019-20. The Borrowing committee constitutes of the following directors:

Ms. Hardika Shah - Chairperson
Mr. Thirunavukkarasu Rajendran - Member

The meetings of Borrowing Committee and attendance of the members is given below:

Sl. Nos.	Date of Meeting	Presence of Members	
		Hardika Shah	Thirunavukkarasu R
1	29.06.2019	Y	Y
2	04.07.2019	Y	Y
3	18.07.2019	Y	Y
4	23.08.2019	Y	Y
5	30.09.2019	Y	Y
6	01.10.2019	Y	Y
7	08.10.2019	Y	Y
8	29.10.2019	Y	Y
9	28.12.2019	Y	Y
10	30.12.2019	Y	Y
11	31.01.2020	Y	Y

12	25.02.2020	Y	Y
13	03.03.2020	Y	Y
14	05.03.2020	Y	Y

Y – Yes
N- No
N.A. – Not Applicable

e. SELECTION COMMITTEE:

The Selection Committee comprised of the following Directors as members:

Ms. Hardika Shah- Chaiperson
Mr. Rahil Rangawala- Member
Mr. Geoffrey T Woolley- Member

The Selection Committee was reconstituted as on 12th December, 2019 comprising of the following members:

Ms. Hardika Shah- Chaiperson
Mr. Agustin Vitorica- Member
Mr. Ranjit Jayantilal Shah- Member

During the year under review, no meeting was held for Selection Committee.

f. IT STRATEGY COMMITTEE

The IT Strategy Committee comprised of the following Members:

Mr. Ravindra Pisharody- Chairperson
Ms. Hardika Shah- Member
Mr. Rahil Feroze Rangwala- Member
Ms. Jijy Oommen-Member

The IT Strategy Committee was reconstituted as on 12th December, 2019 comprising of the following members:

Mr. Ravindra Pisharody -Chairperson
Ms. Hardika Shah- Member
Mr. Geoffrey T. Woolley- Member
Ms. Jijy Oommen- Member

The IT Strategy Committee has met 2 (Two) times during the Financial Year 2019-20. The meeting of IT Strategy Committee and attendance of the members is as given below:

Sl. Nos.	Date of Meeting	Presence of Members				
		Ravindra Pisharody	Hardika Shah	Rahil Feroze Rangwala	Jijy Oommen	Geoffrey T. Woolley
1	03.05.2019	Y	Y	Y	Y	NA
2	27.11.2019	Y	Y	Y	Y	NA

Y – Yes
N- No
N.A. – Not Applicable

g. RISK MANAGEMENT COMMITTEE:

The Risk Management Committee comprised of the following Members:

Ms. Hardika Shah- Chairperson
Mr. Sunil Gulati- Member
Mr. Agustin Vitorica- Member

The Risk Committee was reconstituted as on 12th December, 2019 comprising of the following members:

Mr. Sunil Gulati - Chairperson
Ms. Hardika Shah- Member
Mr. Ranjit Jayantilal Shah-Member

The Risk Management Committee has met 1 (One) time during the Financial Year 2019-20. The meeting of Risk Management Committee and attendance of the members is given below:

Sl. Nos.	Date of Meeting	Presence of Members			
		Hardika Shah	Sunil Gulati	Agustin Vitorica	Ranjit Shah
1	12.12.2019	Y	Y	No	NA

Y – Yes
N- No
N.A. – Not Applicable

h. ASSET LIABILITY MANAGEMENT COMMITTEE ("ALCO"):

In compliance with the RBI's Master Direction- Non Banking Financial Company Systematically Important Non-Deposit taking Company and Deposit taking (Reserve Bank) Directions, 2016, the ALCO Committee was constituted as sub-committee of Risk Management Committee comprising of the following members

Ms. Hardika Shah-Chairperson
Mr. Thirunavukkarasu Rajendran- Member
Ms. Aiswarya Ravi-Member

The Asset Liability Committee has met 4 (Four) times during the Financial Year 2019-20. The meetings of Asset Liability Committee and attendance of the members are given below:

Sl. Nos.	Date of Meeting	Presence of Members		
		Hardika Shah	Thirunavukkarasu Rajendran	Aiswarya Ravi
1	12.04.2019	Y	Y	Y
2.	15.07.2019	Y	Y	Y
3.	11.10.2019	Y	Y	Y
4.	15.01.2020	Y	Y	Y

Y – Yes
N- No
N.A. – Not Applicable

17. POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT OF THE COMPANY:

The Company has Nomination and Remuneration Policy in place for the appointment and remuneration of the Directors and Key Managerial Personnel and Senior Management of the Company. The Nomination and Remuneration Policy of the Company on directors' appointment and remuneration, includes criteria for determining qualifications, positive attributes, independence of a director and other matters provided under Sub Section (3) of Section 178 of the Companies Act, 2013. We affirm that the remuneration paid to the directors is as per the terms laid out in the Nomination and Remuneration Policy of the Company.

18. PERFORMANCE EVALUATION OF BOARD, COMMITTEES AND DIRECTORS:

As per the provisions of the Companies Act, 2013, the Company has adopted a suitable framework to evaluate the performance of its Independent Directors, Non-Independent Directors, its own performance as well as the performance of its Committees.

The performance of Independent and Non-Independent Directors as well as the performance of the Board and its Committees are yet to be evaluated for the Financial Year 2019-20.

19. DIRECTORS' RESPONSIBILITY STATEMENT AS PER SECTION 134(5) OF THE COMPANIES ACT, 2013:

As required u/s 134 (5) of the Companies Act, 2013, your Directors state that:

a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
b) the directors had selected such accounting policies and applied them consistently and 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 at the end of the financial year 31st March 2020 and of the profit of the company for that period;
c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
d) the directors had prepared the annual accounts for the period ending 31st March 2020 on a going concern basis; and
e) the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively.
f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

20. INTERNAL FINANCIAL CONTROLS ("IFC") WITH REFERENCE TO THE FINANCIAL STATEMENTS:

The Company has adequate internal financial controls commensurate with its size and nature of operations. The internal financial controls have been designed to provide a high degree of assurance regarding the effectiveness and efficiency of operations, the adequacy of internal policies and processes and compliance with applicable laws and regulations. The internal financial control is supplemented by extensive internal audits, regular reviews by management and standard policies and guidelines to ensure reliability of financial and all other records to prepare financial statements, its reporting and other data.

Further the Statutory Auditors have also certified that the Company has, in all material respects, adequate internal financial controls with reference to Financial Statements and such internal financial controls were operating effectively as at 31st March, 2020, based on the internal financial controls with reference to Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

However, the Statutory Auditors have emphasized that the extent to which the Covid-19 pandemic will have impact on the Company's financial controls with reference to the Financial Statements is dependent on future developments, which are highly uncertain.

21. SUBSIDIARIES, JOINT VENTURES & ASSOCIATES

The Company has no Subsidiaries, Joint Ventures & Associates for the Financial Year 2019-20

22. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS U/S 186 OF COMPANIES ACT:

During the year under review, the Company has not given any loan, guarantee or made investment in other Companies except providing loan in ordinary course of business. Hence, Section 186 of the Companies Act, 2013 is not applicable to the Company.

23. RELATED PARTY TRANSACTIONS:

All related party transactions, that were entered into during the financial year, were on an arm's length basis and were in the ordinary course of business, the particulars of such transactions are disclosed in the notes to the financial statements. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. The details of Related Party transactions pursuant to sub-section (1) of section 188 of Companies Act, 2013 is annexed herewith as Annexure-I

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

No orders were passed by the Regulators or Courts or Tribunals impacting the going concern status and company's operations in future.

25. STATUTORY AUDITORS:

Pursuant to Section 139 of the Companies Act, 2013 and the rules made thereunder, M/s BSR & Co., LLP, Chartered Accountants having Registration No. 101248W/W-100022 have been appointed as Statutory Auditors of the Company to hold office for a term of 5 (five) years from the conclusion of the 21st Annual General Meeting until the conclusion of the 26th Annual General Meeting of the Company.

26. SECRETARIAL AUDITORS:

Pursuant to Section 204 of the Companies Act, 2013 and the rules made thereunder, RSV & Associates, LLP was appointed to conduct the secretarial audit of the Company for the Financial Year 2019-20. The Secretarial Audit Report for the FY 2019-20 forms part of Annual Report as Annexure III of the Board's Report.

27. EXPLANATIONS OR COMMENTS ON QUALIFICATION, RESERVATION OR ADVERSE REMARK OR DISCLAIMER MADE BY THE AUDITORS:

i. Independent Auditors Report:

The Notes to Accounts forming part of Annual accounts are Self-Explanatory and need no further explanation. There are no qualifications raised in Auditors Report. However, the auditor made observation in point no. vii (a) of Annexure A to the Independent Auditors Report inter-alia as follows:

The Company generally had regularly deposited during the year undisputed statutory dues with appropriate authorities except for delays ranging from 1 day to 36 days with respect to deposit of Provident Fund, Income Tax and Professional Tax with appropriate authorities.

The Board clarifies that the Company is regular in making all statutory dues within due date. The above mentioned delay was purely inadvertent in nature and due to technical glitches on the government websites preventing us from depositing the taxes on time.

ii. Secretarial Audit Report:

There are no qualifications/adverse remarks in the Secretarial Audit Report for the year ended 31st March, 2020.

iii. Fraud Reporting:

No instances of material fraud by the Company or on the Company by its officers or employees has been reported by the Statutory Auditors or Internal Auditors.

28. SECRETARIAL STANDARDS:

The Company complies with applicable Secretarial Standards.

29. STATEMENT OF DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY:

In line with RBI's Master Direction on Non-Banking Financial Company-Systematically Important Non-Deposit Taking Company and Deposit Taking Company (Reserve Bank) Directions, 2016 and Section 134(3) (n) of the Companies Act,2013, the Risk Management Committee and Board of Directors of the Company has in place a Risk Management Policy. The objective is to identify, assess, monitor and mitigate various risks to core business of the Company.

The Company understands that risk evaluation and mitigation is a function of the Board and therefore the Board of Directors are fully committed to developing a sound system for identification and mitigation of applicable risks. In this context, the Risk Management

Committee had been formed to identify, assess, monitor and mitigate risks related to operational, credit and compliance risk.

The Company minimizes credit risk through robust loan approval process, credit norms and policies. The operational risk is managed through continuous monitoring of symptoms/warning signals as operational risk arises due to external factors. The compliance risk is mitigated by adhering to Corporate Governance Framework and best corporate governance practices prevailing in the industry.

The Asset Liability Management Committee ("ALCO") was constituted as sub-committee of Risk Management Committee, comprising of management of the Company to constantly monitor and manage the asset and liability in such a manner that asset liability mismatches remain within reasonable limits. The ALCO is focused on capital management, liquidity risk and interest rate risk of the Company. An ALM Policy had been put in place to ensure prudent management of assets and liabilities.

During the year under review, the Company had maintained positive cumulative asset liability mismatch across all the buckets signifying a strong liquidity position. The Company maintains sufficient cash surpluses and regularly monitors the position of cash and cash equivalents. Considering the RBI Covid-19 Regulatory Package, the company has received moratorium from majority of its lenders.

30. CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO –

Rule 8(3) of the Companies (Accounts) Rules,2014

(A) Conservation of energy-

The Company is not falling under the categories of "list of industries" prescribed by the Government to provide the above information. The Company utilizes both electricity and generator for its operations of the factory and adequate measures have been taken to reduce energy consumption by using efficient equipment. Since energy cost forms a very small part of total cost, the impact on cost is not material.

(B) Technology absorption-

The Company is not doing/conducting any Technology Research and Development.

(C) Foreign exchange earnings and Outgo

The company has not earned any Foreign exchange earnings and not incurred any foreign exchange outgo during the year.

31. EXTRACTS OF THE ANNUAL RETURN AS PROVIDED UNDER SUB-SECTION (3) OF SECTION 92:

The copy of Annual Return has been placed on the website of the Company. The official website of the Company is www.kinaracapital.com.

32. DISCLOSURE ON VIGIL MECHANISM:

The establishment of vigil mechanism ensures highest ethical, moral and business standards in the course of functioning and to build a lasting and strong culture of Corporate Governance within the Company.

The Whistleblower Policy has been formulated with a view to provide a mechanism for employees and directors to report concerns about unethical behaviour, actual or suspected fraud or violation of Company's code of conduct.

The Whistleblower Policy provides for adequate safeguards against victimization of employees who report issues. During the year under review, few complaints were received by the Company, the details of which are as follows:

Sl. Nos.	Particulars	Details (In Numbers)
1	No of cases pending at the beginning of the year	NIL
2	No of cases received during the year	169
3	No of cases disposed during the year	159
4	No of cases unresolved at the end of the year	10

The said Policy may be referred to at the website of the Company at its web link i.e. https://kinaracapital.com/about-us/key-policies/whistleblower-policy/

33. DISCLOSURE UNDER THE SEXUAL HARRASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

Your Company has always believed in providing a safe and harassment free workplace for every individual working for us. A Policy on Prevention of Sexual Harassment at workplace is already in place. An Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment from time to time.

During the year under review, no complaints have been received pursuant to the Prevention of Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013.

34. CORPORATE SOCIAL RESPONSIBILITY ("CSR"):

Pursuant to Section 135 of the companies Act 2013, and rules made there under, the Company constituted the CSR Committee to adopt, oversee and implement the CSR policy/activities of the company.

The Company's CSR theme is based on 'women empowerment' and the CSR goal is to empower 5 Lakhs women micro-entrepreneurs by the Financial Year 2030. A detailed report on the Company's CSR policy and initiatives is set out in Annexure-II of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

35. PARTICULARS OF EMPLOYEES:

The provisions of Section 197 of the Companies Act, 2013 are not applicable to the Company.

36. ACKNOWLEDGEMENT:

Your Directors wish to thank the shareholders, customers, investors, bankers, lenders, vendors, the State and other Governments and business agencies for their continued support during the year. Your directors also place on record their appreciation for the dedicated services of the employees at all levels, which has enabled the Company to achieve consistent growth.

For and on behalf of the Board

Place: Bangalore	**Hardika Shah**	**Thirunavukkarasu Rajendran**
Date: 22.06.2020	**Director & CEO**	**Director**

ANNEXURE-I
FORM NO. AOC.2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. **Details of contracts or arrangements or transactions not at arm's length basis**

   There were no contracts or arrangements or transactions entered into during the year ended March 31, 2020 which were not at arm's length basis.

2. **Details of material contracts or arrangement or transactions at arm's length basis:**

Sl. No.	Particulars	
a)	Name(s) of the related party and nature of relationship	Ms. Khyati Shah Sister of Ms. Hardika Shah, Director & CEO
b)	Nature of contracts/arrangements/transactions	Ratification of appointment of Ms. Khyati Shah as Senior Vice-President, Corporate Marketing & Communications
c)	Duration of the contracts/arrangements/transactions	The contract was executed during the Financial year 2019-20 for a period of 1 (one) year.
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Monthly remuneration of INR 3,46,000/- plus reimbursement of expenses as per Company expense policy.
e)	Date(s) of approval by the Board, if any	07.05.2019
f)	Amount paid as advances, if any	NA

For and on behalf of the Board

Place: Bangalore

Date: 22.06.2020

Hardika Shah
Director & CEO

Thirunavukkarasu Rajendran
Director

ANNEXURE-II

REPORT ON CORPORATE SOCIAL RESPONSIBILITY

[Pursuant to clause (o) of Sub-Section 3 of Section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:

The Board of Directors at its meeting held on July 31, 2019, approved the CSR policy. Our Company's CSR Policy is driven by "Transformation". It lays down the guidelines for impacting and transforming lives. The objectives of the CSR policy include the following:

a. Creating opportunities to drive impact for marginalized groups
b. Partnering with diverse stakeholders, to achieve our social development goals
c. Creating opportunities for employees to participate in socially responsible initiatives

The CSR Policy is hosted on the website of the Company https://www.kinaracapital.com/wp-content/uploads/2020/03/Kinara-Capital_CSR-Policy.pdf

2. The Composition of CSR Committee:

The Board of Directors in its meeting held on 7th May, 2019, approved the constitution of the CSR Committee comprising of the following members:

1. Mr. Ravindra Pisharody- Chairman
2. Ms. Hardika Shah- Member
3. Mr. Geoffrey T. Woolley- Member

3. Average net profit of the Company for last three financial years: INR 666.04 Lakhs

4 Prescribed CSR Expenditure (two percent of amount stated in item 3 above):
INR 13.32 Lakhs

5. Details of CSR spent during Financial year:

Sl. No.	CSR Project or Activity Identified	Sector in which the project is Covered under Schedule VII	Location of the project/ program (Local Area/ State/ District)	Amount Outlay/ Approved	Amount Spent	Amount Spent Direct/ overheads	Cumulative Expenditure
1	Allocation of funds to SEWA for production of Face	Promotion of health care including preventive	Gujarat	10 Lakhs	NIL	NIL	NIL

	Masks and Hand Sanitizers	health care					
2	Allocation of funds to Akshaya Patra for providing Food Relief Aid	Eradicating hunger, poverty and malnutrition	Karnataka	INR 3.32 Lakhs	NIL	NIL	NIL

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report:

During the Financial year 2019-20, the Company had earmarked INR 13.32 Lakhs towards its CSR expenditure and identified two CSR projects viz Eco-Rickshaws for women by partnering with SEWA and Digital inclusion of rural artisans by partnering with DEF ("Digital Empowerment Foundation"). However, the Covid-19 crisis and the subsequent lockdown situation, caused deferment of both the CSR projects for an indefinite period. In order to make a potential impact in the wake of the Covid-19 pandemic, the entire CSR plan for the Financial Year 2019-20 was pivoted which resulted in slight delay for spending the CSR amount by the Company.

However, the Company pivoted its CSR plan towards the projects as mentioned above in alignment with the Company's theme and disbursed the earmarked amount by early May, 2020.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

The CSR Committee hereby confirms that the implementation and monitoring of CSR policy is in compliance with CSR objectives and policy of the Company.

For and on behalf of the Board

Visage Holdings and Finance Private Limited
Bangalore

Place: Bangalore

Date:22.06.2020

Hardika Shah | **Thirunavukkarasu Rajendran**

Director & CEO | **Director**

B S R & Co. LLP
Chartered Accountants

5th Floor, Lodha Excelus,
Apollo Mills Compound
N. M. Joshi Marg, Mahalaxmi
Mumbai - 400 011
India

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INDEPENDENT AUDITOR'S REPORT

To the Members of Visage Holdings and Finance Private Limited

Report on the Audit of the Financial statements

Opinion

We have audited the Financial statements of Visage Holdings and Finance Private Limited ("the Company"), which comprise the balance sheet as at 31 March 2020, the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the Financial statements, including a summary of the significant accounting policies and other explanatory information.

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

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 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 together with the ethical requirements that are relevant to our audit of the Financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

As described in Note 43 (ii) to the Financial statements, in respect of accounts overdue but standard at 29 February 2020 where moratorium benefit has been granted, the staging of those accounts at 31 March 2020 is based on the days past due status as on 29 February 2020 in accordance with the Reserve Bank of India COVID-19 Regulatory Package.

As described in Note 43 (ii) to the Financial statements, the extent to which the COVID-19 pandemic will impact the Company's financial performance is dependent on future developments, which are highly uncertain.

Our opinion is not modified in respect of the above matters.

B S R & Co (a partnership firm with Registration No. BA61223) converted into B S R & Co. LLP (a Limited Liability, Partnership with LLP Registration No. AAB-8181) with effect from October 14, 2013

Registered Office:
5th Floor, Lodha Excelus
Apollo Mills Compound
N. M. Joshi Marg, Mahalaxmi
Mumbai - 400 011. India

Visage Holdings and Finance Private Limited
Independent Auditor's Report (continued)

Key Audit Matters

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

Transition date accounting policies due to adoption of Ind-AS

Refer to Note 46 to the Financial statements: 'First time adoption of Ind AS'

Key audit matter	How the matter was addressed in our audit
Adoption of new accounting framework (Ind AS) Effective 1 April 2019, the Company adopted the Indian Accounting Standards ("Ind AS") notified by the Ministry of Corporate Affairs with the transition date of 1 April 2018. The following are the major impact areas for the Company upon transition: • Classification and measurement of financial assets and financial liabilities • Measurement of loan losses (expected credit losses) • Accounting for securitization, Co-lending and direct assignment transactions • Computation of Effective Interest Rate on financial assets and financial liabilities • Accounting for share based payments • Lease accounting • Additional disclosures as per the requirements of the new financial reporting framework The migration to the new accounting framework (Ind AS) is a complicated process involving multiple decision points upon transition. Ind AS 101, First Time Adoption prescribes choices and exemptions for first time application of Ind AS principles at the transition date. We identified transition date accounting as a key audit matter because of significant degree of management judgment in the first-time application of Ind AS principles as at the transition date particularly in the areas noted above and the additional disclosures associated with Ind AS transition.	We have performed the following key audit procedures: ▪ Assessed the design, implementation and operating effectiveness of key internal controls over management's evaluation of transition date choices and exemptions availed in line with the principles under Ind-AS 101 ▪ Inspected the approvals of Audit Committee for the choices and exemptions made by the Company for compliance with IND AS 101. ▪ Evaluated management's transition date choices and exemptions for compliance with under Ind AS 101. ▪ Assessed the methodology implemented by management to give impact on the transition including areas of significant estimates and judgment applied by the Management for the aforementioned major impact areas, in line with principles under the relevant Ind AS. ▪ Assessed the mathematical accuracy of the computations

Visage Holdings and Finance Private Limited
Independent Auditor's Report (continued)

Impairment of loans and other financial assets - The Company has recognized impairment loss allowance of INR. 2,774.91 lakhs as at 31 March 2020

Refer to the accounting policies in "Note 2.6 to the Financial statements: Impairment of financial assets", "Note 2.4(b) to the Financial statements: Significant Accounting Policies- use of estimates" and "Note 43 (ii) to the Financial statements: Credit risk management"

The key audit matter	How the matter was addressed in our audit
Subjective estimate Recognition and measurement of impairment of loans and advances involve significant management judgement. Under Ind AS 109, Financial Instruments, allowance for loan losses are determined using expected credit loss (ECL) model. The Company's impairment allowance is derived from estimates including the historical default and loss ratios. Management exercises judgement in determining the quantum of loss based on a range of factors. The most significant areas are: - Segmentation of loan book - Determination of exposure at default - Loan staging criteria - Calculation of probability of default / Loss given default - Consideration of probability weighted scenarios and forward looking macro-economic factors The application of ECL model requires several data inputs. This increases the risk of completeness and accuracy of the data that has been used to create assumptions in the model. In some cases, data is unavailable and reasonable alternatives have been applied to allow calculations to be performed. *Impact of COVID-19* On 11 March 2020, the World Health Organisation declared the Novel Coronavirus (COVID-19) outbreak to be a pandemic.	**Our key audit procedures included:** • Performed process walkthroughs to identify the key systems, applications and controls used in the impairment allowance processes. • Assessed the design and implementation of controls in respect of the Company's impairment allowance process such as the timely recognition of impairment loss, the completeness and accuracy of reports used in the impairment allowance process, management review processes over the calculation of impairment allowance and the related disclosures on credit risk management. • Tested the relevant general IT and applications controls over system generated ageing report used in the impairment allowance processes. • Evaluated whether the methodology applied by the Company is compliant with the requirements of the relevant Indian accounting standards and assessed whether the calculations are performed in accordance with the approved methodology, including testing the mathematical accuracy of the workings. • Tested whether the periods considered for capturing underlying data as base to PD and LGD calculations are in line with Company's recent experience of past observed periods. • Tested the accuracy of the key inputs used in the calculation and independently evaluated the reasonableness of the assumptions made.

We have identified the impact of, and uncertainty related to the COVID 19 pandemic as a key element and consideration for recognition and measurement of impairment of loans and advances on account of: - Short and long term macroeconomic effect on businesses in the country and globally and its consequential first order and cascading negative impact on revenue and employment generation opportunities; - impact of the pandemic on the Company's customers and their ability to repay dues; and - application of regulatory package announced by the Reserve Bank of India (RBI) on asset classification and provisioning. Management has conducted a qualitative assessment of significant increase in credit risk (SICR) of the loan portfolio with respect to the moratorium benefit to borrowers prescribed by the RBI and considered updated macroeconomic scenarios and the use of management overlays to reflect potential impact of COVID-19 on expected credit losses on its loan portfolio.	• Challenged completeness and validity of management overlays with assistance of our financial risk modelling specialists by evaluating the risks that have been addressed by management through overlays and also considering whether there are other risks not captured which require additional overlays. We also tested management's workings supporting the overlay quantum. Disclosures: • Assessed whether the disclosures on key judgements, assumptions and quantitative data with respect to impairment loss allowance in the Financial statements are appropriate and sufficient.

IT Systems and Controls

The key audit matter	How the matter was addressed in our audit
The Company's key loan management process is highly dependent on information systems including automated controls in systems, such that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being materially misstated. We have identified 'IT systems and automated controls' as key audit matter because of the high-level automation	**Our response** Our audit procedures to assess the IT system management included the following: **General IT controls / user access management** • We focused on user access management, change management, computer operations and key system application controls over Loan Process. • We tested the design and operating effectiveness of key controls in relation to Loan process over user access management which includes granting access right, new user access creation, user access

Visage Holdings and Finance Private Limited
Independent Auditor's Report (continued)

	modification, periodic user access review and user access revocation. • For a selected group of key controls over the Loan Management System, we independently performed procedures to determine that these controls remained unchanged during the year or were changed following the standard change management process. • Other areas that were independently assessed included password policies, security configurations, system interface controls, controls over changes to applications and databases and that business users, developers and production support did not have access to change applications, the operating system or databases in the production environment.

Information Other than the Financial statements and Auditors' Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the Financial statements and our auditor's report thereon.

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

In connection with our audit of the Financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibility for the Financial statements

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

Visage Holdings and Finance Private Limited
Independent Auditor's Report (continued)

In preparing the Financial statements, the 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.

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

Auditor's Responsibilities for the Audit of the Financial statements

Our objectives are to obtain reasonable assurance about whether the Financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 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 statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the financial statements made by the Management and Board of Directors.

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

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

Visage Holdings and Finance Private Limited
Independent Auditor's Report (continued)

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

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

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

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

   c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account

   d) In our opinion, the aforesaid Financial statements comply with the Ind AS specified under section 133 of the Act.

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

   f) 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".

Visage Holdings and Finance Private Limited
Independent Auditor's Report (continued)

(B) With respect to the other matters to be included in the Auditors' 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:

i. The Company has disclosed the impact of pending litigations as at 31 March 2020 on its financial position in its Financial statements - Refer Note 40 to the Financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. The disclosures in the Financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these Financial statements since they do not pertain to the financial year ended 31 March 2020.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

The Company is a Private Limited Company and accordingly the provisions of Section 197 of the Companies Act, 2013 are not applicable to the Company

for **B S R & Co. LLP**
Chartered Accountants
Firm Registration No: 101248W/ W-100022

V. Venkataraman

Venkataramanan Vishwanath
Partner
Membership Number: 113156
ICAI UDIN: 20113156AAAADJ2332

Place: Mumbai
Date: 22 June 2020

Visage Holdings and Finance Private Limited

Annexure A to the Independent Auditors' Report of even date on Financial statements of Visage Holdings and Finance Private Limited

The Annexure referred to in our Independent Auditors' Report to the members of Visage Holdings and Finance Private Limited ('the Company') on the Financial statements for the year ended 31 March 2020, we report the following:

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

(b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified every year. Pursuant to the programme, all the fixed assets have been physically verified during the year and no material discrepancies were observed on such verification. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company does not hold any immovable properties as on the reporting date. In respect of immovable properties taken on lease and disclosed as right-of-use assets in the Financial statements, the lease agreements are in the name of the Company.

(ii) The Company is a Non-Banking Finance Company ("NBFC"), primarily engaged in the business of financing. Accordingly, it does not hold any physical inventories. Accordingly, paragraph 3(ii) of the Order is not applicable to the Company.

(iii) According to the information and explanations given to us and based on the audit procedures conducted by us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register required to be maintained under Section 189 of the Companies Act, 2013 ('the Act'). Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.

(iv) According to the information and explanations given to us, and on the basis of our examination of the records of the Company, there are no loans, investments, guarantees and security given in respect of which provisions of section 185 and 186 of the Act are applicable. Accordingly, paragraph 3(iv) of the Order is not applicable to the Company.

(v) The Company is an NBFC and consequently is exempt from the provisions of Section 73 to Section 76 of the Act. Accordingly, paragraph 3(v) of the Order is not applicable to the Company

(vi) The Central Government of India has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for any of the services rendered by the Company. Accordingly, paragraph 3(vi) of the Order is not applicable to the Company.

Visage Holdings and Finance Private Limited

Annexure A to the Independent Auditors' Report of even date on Financial statements of Visage Holdings and Finance Private Limited

(vii) (a) According to the information and explanation given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' state insurance, Income tax, Goods and service tax, cess and any other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities except for delays ranging from 1 day to 36 days with respect to deposit of Provident fund, Income tax and Professional tax with appropriate authorities. With the advent of Central Goods and Services Tax Act, 2017 and the respective State Goods and Services tax Act, Sales-tax, Service tax, duty of excise and value added tax have been subsumed into Goods and services tax. As explained to us, the Company did not have any dues on account of duty of customs.

According to the information and explanations given to us, there are no undisputed amounts payable in respect of Provident fund, Employees' state insurance, Income tax, Goods and service tax, cess and other material statutory dues that were in arrears, as at 31 March 2020 for a period of more than six months from the date they became payable. As explained to us, the Company did not have any dues on account of duty of customs.

(b) According to the information and explanations given to us, there are no dues in respect of Income tax and Goods and service tax which have not been deposited on account of any dispute. As explained to us, the Company did not have any dues on account of duty of customs.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to any financial institutions, banks, or debenture holders during the year. The Company did not have any outstanding loans or borrowings from the government during the year.

(ix) In our opinion and according to the information and explanations given to us, the Company has utilised the money raised by way of issue of non-convertible debentures and the terms loans during the year for the purpose for which they were raised. The Company has not raised any money by way of initial public offer or further public offer during the year.

(x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the explanation and information given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor we have been informed of any such case by the Management.

(xi) The provisions of Section 197 read with schedule V of the Act is not applicable to the Company as it is not a public company. Accordingly, the paragraph 3(xi) of the Order is not applicable to the Company.

Visage Holdings and Finance Private Limited

Annexure A to the Independent Auditors' Report of even date on Financial statements of Visage Holdings and Finance Private Limited

(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) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 188 of the Act, where applicable, and details of such transactions have been disclosed in the Financial statements as required by the applicable accounting standards. The provisions of Section 177 of the Act are not applicable to the Company.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has complied with the provisions of Section 42 of the Act in respect of the private placement of equity shares during the year. Further, according to the information and explanations given to us and based on our examination of the records of the Company, we report that the amounts raised have been used for the purpose for which the funds were raised.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transaction with directors or person connected with them as referred to in Section 192 of the Act. Accordingly, paragraph 3(xv) of the Order 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 such registration has been obtained by the Company on 27 August 2013.

for **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Venkataramanan Vishwanath
Partner
Membership No. 113156
ICAI UDIN: 20113156AAAADJ2332

Place: Mumbai
Date: 22 June 2020

Annexure B to the Independent Auditors' report on the Financial statements of Visage Holdings and Finance Private Limited for the year ended 31 March 2020

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

Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date

Opinion

We have audited the internal financial controls with reference to Financial statements of Visage Holdings and Finance Private Limited ("the Company") as of 31 March 2020 in conjunction with our audit of the Financial statements of the Company for the year ended on that date.

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

Emphasis of Matter

As described in Emphasis of Matter paragraph of our report to the Financial statements, the extent to which the COVID-19 pandemic will have impact on the Company's internal financial controls with reference to the Financial statements is dependent on future developments, which are highly uncertain. Our opinion is not modified in respect of the above matter.

Management's Responsibility for Internal Financial Controls

The Company's management and the 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. 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 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 (hereinafter referred to as "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 and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to Financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Financial statements were established and maintained and whether such controls operated effectively in all material respects.

Visage Holdings and Finance Private Limited

Annexure B to the Independent Auditors' report on the Financial statements of Visage Holdings and Finance Private Limited for the year ended 31 March 2020 (continued)

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

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

Meaning of Internal Financial controls with Reference to Financial statements

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 controls with reference to Financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 with reference to Financial statements to future periods are subject to the risk that the internal financial controls with reference to Financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

for **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

V. Venkataraman

Venkataramanan Vishwanath
Partner
Membership No. 113156
ICAI UDIN: 20113156AAAADJ2332

Mumbai
22 June 2020

Visage Holdings and Finance Private Limited
Balance Sheet as at 31 March 2020
(All amounts are in INR lacs except share data and unless otherwise stated)

	Note	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
ASSETS				
Financial assets				
Cash and cash equivalents	3	10,926.37	22,295.04	4,648.14
Bank balance other than cash and cash equivalents	4	1,567.46	1,157.96	619.12
Loans	5	81,202.22	62,127.57	38,091.89
Other financial assets	6	1,223.95	647.50	252.65
Total financial assets		**94,920.00**	**86,228.07**	**43,611.80**
Non-financial assets				
Current tax assets (net)	7	495.40	26.37	-
Deferred tax assets (net)	8	882.08	1,290.63	495.38
Property, plant and equipment	9	838.92	270.14	213.39
Capital work-in-progress	10	17.72	102.23	-
Intangible assets under development	11	9.27	-	-
Other intangible assets	12	140.27	85.11	48.61
Right to use assets	36	526.27	68.24	57.64
Other non-financial assets	13	1,862.75	696.58	229.62
Total non-financial assets		**4,772.68**	**2,539.30**	**1,044.64**
Total assets		**99,692.68**	**88,767.37**	**44,656.44**
LIABILITIES AND EQUITY				
LIABILITIES				
Financial liabilities				
Trade Payables	14			
(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		127.76	78.77	13.83
Debt securities	15	25,785.98	26,485.11	19,297.66
Borrowings (other than debt securities)	16	43,095.70	37,244.00	25,884.28
Subordinated liabilities	17	4,815.98	4,817.93	1,198.07
Lease Liabilities	36	554.94	72.12	61.82
Other financial liabilities	18	4,735.04	3,216.69	1,838.38
Total financial liabilities		**79,115.40**	**71,914.62**	**48,294.04**
Non-financial liabilities				
Current tax liabilities (net)	19	9.34	18.62	32.06
Provisions	20	159.74	117.09	64.01
Other non-financial liabilities	21	332.63	252.34	138.66
Total non-financial liabilities		**501.71**	**388.05**	**234.73**
EQUITY				
Equity share capital	22	635.32	603.85	442.65
Other equity	23	19,440.25	15,860.85	(4,314.98)
		20,075.57	**16,464.70**	**(3,872.33)**
Total liabilities and equity		**99,692.68**	**88,767.37**	**44,656.44**
Significant accounting policies	2			
Notes to the financial statements	3 - 54			

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm registration No.: 101248W/ W-100022

V. Venkataraman

Venkataramanan Vishwanath
Partner
Membership No.: 113156

Place : Mumbai
Date : 22 June 2020

For and on behalf of the Board of Directors of
Visage Holdings and Finance Private Limited

Hardika Shah

Hardika shah
Director and Chief Executive officer
DIN: 03562871

Place : Bangalore
Date : 22 June 2020

R.Thirunavukkarasu
Director
DIN: 06514712

Place : Bangalore
Date : 22 June 2020

R. Aiswarya

Aiswarya Ravi
Chief Financial Officer
Place : Bangalore
Date : 22 June 2020

Moumita Sen

Moumita Sen
Company Secretary
Place : Bangalore
Date : 22 June 2020

Visage Holdings and Finance Private Limited ☆ Bangalore

Visage Holdings and Finance Private Limited

Statement of Profit and Loss for the year ended 31 March 2020

(All amounts are in INR lacs except share data and unless otherwise stated)

		Note	For the year ended 31 March 2020	For the year ended 31 March 2019
	Revenue from operations			
	Interest income	24	21,445.27	13,851.07
	Fees and commission income	25	752.32	537.47
	Net gain on derecognition of financial instruments	27	198.05	-
(I)	**Total revenue from operations**		**22,395.64**	**14,388.54**
(II)	Other income	28	50.13	39.33
(III)	**Total income (I+II)**		**22,445.77**	**14,427.87**
	Expenses			
	Finance costs	29	9,636.48	6,363.88
	Net loss on fair value changes	26	25.38	9.05
	Impairment on financial instruments	30	1,606.26	3,635.78
	Employee benefits expenses	31	5,494.82	3,611.30
	Depreciation, amortisation and impairment	32	487.55	251.46
	Others expenses	33	2,579.11	1,599.57
(IV)	**Total expenses**		**19,829.60**	**15,471.04**
(V)	**Profit before tax (III-IV)**		**2,616.17**	**(1,043.17)**
(VI)	**Tax expense:**			
	(1) Current tax - Current Year	8	412.14	561.39
	- Earlier Year		-	(46.35)
	(2) Deferred tax charge / (credit)	8	393.01	(783.88)
			805.15	**(268.84)**
(VII)	**Profit for the year (V-VI)**		**1,811.02**	**(774.33)**
(VIII)	**Other comprehensive income**			
A	(i) Items that will not be classified to profit or loss			
	- Remeasurement of the defined benefit plans		0.69	(4.75)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(0.54)	1.20
	Subtotal (A)		**0.15**	**(3.55)**
B	(i) Items that will be reclassified to profit or loss			
	- Debt instruments through other comprehensive income		46.83	(40.47)
	(ii) Income tax relating to items that will be reclassified to profit or loss		(14.99)	10.18
	Subtotal (B)		**31.84**	**(30.29)**
	Other comprehensive income (A + B)		**31.99**	**(33.84)**
(IX)	**Total comprehensive income for the year**		**1,843.01**	**(808.17)**
(X)	**Earnings per equity share**			
	Basic (₹)	37	28.78	(17.44)
	Diluted (₹)	37	27.88	(17.44)
	Significant accounting policies	2		
	Notes to the financial statements	3 - 54		

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm registration No.: 101248W/ W-100022

Venkataramanan

Venkataramanan Vishwanath
Partner
Membership No.: 113156
Place : Mumbai
Date : 22 June 2020

For and on behalf of the Board of Directors of
Visage Holdings and Finance Private Limited

Hardika Shah

Hardika shah
Director and Chief Executive officer
DIN: 03562871
Place : Bangalore
Date : 22 June 2020

R. Th

R.Thirunavukkarasu
Director
DIN: 06514712
Place : Bangalore
Date : 22 June 2020

R. Aiswarya

Aiswarya Ravi
Chief Financial Officer
Place : Bangalore
Date : 22 June 2020

Moumita Sen

Moumita Sen
Company Secretary
Place : Bangalore
Date : 22 June 2020

Visage Holdings and Finance Private Limited ☆ Bangalore

Visage Holdings and Finance Private Limited
Statement of Changes in Equity for the year ended 31 March 2020
(All amounts are in INR lacs except share data and unless otherwise stated)

a. Equity share capital

Balance as at 1 April 2018	Changes in equity share capital during the year	Balance as at 31 March 2019	Changes in equity share capital during the year	Balance as at 31 March 2020
442.65	161.20	603.85	31.47	635.32

b. Other equity

Particulars	Reserve and Surplus						Items of other comprehensive income	Total
	Statutory Reserves	Impairment Reserve	Securities Premium	Share option Outstanding	Fair Value of Financial Liabilities [Obligation to buy back own equity instruments]	Retained Earnings	Debt instruments (Loans) through Other Comprehensive Income	
Balance as at 1 April 2018	**131.24**	**-**	**8,999.04**	**10.38**	**(12,780.72)**	**(647.67)**	**(27.25)**	**(4,314.98)**
Profit for the year	-	-	-	-	-	(774.33)	-	(774.33)
Debt instruments (Loans) through other comprehensive income	-	-	-	-	-	-	(30.29)	(30.29)
Remeasurement of the defined benefit plans	-	-	-	-	-	(3.55)	-	(3.55)
Transfer to/(from) retained earnings	165.80	-	-	-	-	(165.80)	-	-
Net proceeds from issue of shares	-	-	8,158.32	-	-	-	-	8,158.32
Re-classification of Obligation to buy back own equity instruments to equity	-	-	-	-	12,780.72	-	-	12,780.72
Share based payment expense	-	-	-	44.96	-	-	-	44.96
Balance as at 31 March 2019	**297.04**	**-**	**17,157.36**	**55.34**	**-**	**(1,591.35)**	**(57.54)**	**15,860.85**
Profit for the year	-	-	-	-	-	1,811.02	-	1,811.02
Debt instruments (Loans) through other comprehensive income	-	-	-	-	-	-	31.84	31.84
Remeasurement of the defined benefit plans	-	-	-	-	-	0.15	-	0.15
Transfer to/(from) retained earnings	362.20	23.96	-	-	-	(386.16)	-	-
Net proceeds from issue of shares	-	-	1,588.69	-	-	-	-	1,588.69
Share based payment expense	-	-	-	147.70	-	-	-	147.70
Balance as at 31 March 2020	**659.24**	**23.96**	**18,746.05**	**203.04**	**-**	**(166.34)**	**(25.70)**	**19,440.25**

Note 23 describes the purpose of each reserve within equity

Significant accounting policies 2
Notes to the financial statements 3 - 54
The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm registration No.: 101248W/ W-100022

V.Venkataraman

Venkataramanan Vishwanath
Partner
Membership No.: 113156
Place : Mumbai
Date : 22 June 2020

For and on behalf of the Board of Directors of
Visage Holdings and Finance Private Limited

Hardika shah
Director and Chief Executive officer
DIN: 03562871
Place : Bangalore
Date : 22 June 2020

R.Thirunavukkarasu
Director
DIN: 06514712
Place : Bangalore
Date : 22 June 2020

R. Aiswarya

Aiswarya Ravi
Chief Financial Officer
Place : Bangalore
Date : 22 June 2020

Moumita Sen

Moumita Sen
Company Secretary
Place : Bangalore
Date : 22 June 2020

Visage Holdings and Finance Private Limited
Bangalore

Visage Holdings and Finance Private Limited
Statement of Cash Flows for the year ended 31 March 2020
(All amounts are in INR lacs except share data and unless otherwise stated)

		For the year ended 31 March 2020	For the year ended 31 March 2019
A.	**Cash flow from operating activities**		
	Profit before tax for the period	**2,616.17**	**(1,043.17)**
	Adjustments for :		
	Depreciation and amortisation expense	487.55	251.46
	Interest Income	(21,445.27)	(13,851.07)
	Interest Expenses	9,606.71	6,345.81
	Impairment on financial assets	1,606.26	3,635.78
	Net loss on fair value changes	25.38	9.05
	Net loss/(gain) on derecognition of property, plant and equipment	29.17	(0.33)
	Unrealised gains on financial instruments	(289.41)	(80.34)
	Share based compensation payments	147.70	44.96
	Operating cash flow before working capital changes	**(7,215.74)**	**(4,687.85)**
	Movement in working capital:		
	(Increase) in loans	(18,061.13)	(27,377.91)
	(Increase) in other financial assets	(294.83)	(312.01)
	(Increase) in other non financial assets	(1,191.61)	(403.99)
	Increase in trade payables	48.99	64.94
	Increase in other financial liabilities	1,459.97	1,341.05
	Increase in provisions	43.34	48.33
	Increase in other non financial liabilities	80.29	113.68
	Cash used in operations before adjustments for interest received and interest paid	**(25,130.72)**	**(31,213.76)**
	Interest Received	18,812.86	13,466.66
	Interest Paid	(9,564.90)	(6,097.01)
	Cash used in operations	**(15,882.76)**	**(23,844.11)**
	Income taxes paid	(890.45)	(554.85)
	Net cash (used in) operating activities (A)	**(16,773.21)**	**(24,398.96)**
B.	**Cash flow from investing activities**		
	Purchase of property, plant and equipment and intangible assets	(860.56)	(454.37)
	Proceeds from sale of property, plant and equipment	7.00	0.43
	Change in other bank balances (net)	(360.78)	(491.45)
	Purchase of investments	-	(1,000.00)
	Proceeds from sale of investments	-	1,028.02
	Net cash (used in) investing activities (B)	**(1,214.34)**	**(917.37)**
C.	**Cash flow from financing activities**		
	Proceeds from issue of equity shares including securities premium(net)	1,620.16	8,319.52
	Proceeds from borrowings through Debt Securities	3,238.37	19,585.00
	Repayment of borrowings through Debt Securities	(3,951.11)	-
	Proceeds from Borrowings (Other than Debt Securities)	29,539.82	27,252.58
	Repayments of Borrowings (Other than Debt Securities)	(23,653.44)	(15,879.50)
	Proceeds from borrowings through Subordinated Liabilities	-	3,750.00
	Payment of Lease liabilities (including interest)	(174.92)	(64.37)
	Net cash generated from financing activities (C)	**6,618.88**	**42,963.23**
	Net (decrease)/increase in cash and cash equivalents (A+B+C)	**(11,368.67)**	**17,646.90**
	Cash and cash equivalents at the beginning of the year	22,295.04	4,648.14
	Cash and cash equivalents at the end of the year	**10,926.37**	**22,295.04**

Visage Holdings and Finance Private Limited
Bangalore

Visage Holdings and Finance Private Limited
Statement of Cash Flows for the year ended 31 March 2020 (Continued)
(All amounts are in INR lacs except share data and unless otherwise stated)

	For the year ended 31 March 2020	For the year ended 31 March 2019
Components of Cash and cash equivalents		
Cash and cash equivalents at the end of the year		
Cash on hand	0.71	13.26
Balances with banks		
In current account	4,024.42	2,704.08
In deposits with original maturity of 3 months or less	6,901.24	19,577.70
Total	**10,926.37**	**22,295.04**

The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (Ind AS-7) on 'Statement of Cash Flows'.

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm registration No.: 101248W/ W-100022

Venkataramanan Vishwanath
Partner
Membership No.: 113156
Place : Mumbai
Date : 22 June 2020

For and on behalf of the Board of Directors of
Visage Holdings and Finance Private Limited

Hardika shah
Director and Chief Executive officer
DIN: 03562871
Place : Bangalore
Date : 22 June 2020

R.Thirunavukkarasu
Director
DIN: 06514712
Place : Bangalore
Date : 22 June 2020

Aiswarya Ravi
Chief Financial Officer
Place : Bangalore
Date : 22 June 2020

Moumita Sen
Company Secretary
Place : Bangalore
Date : 22 June 2020

Visage Holdings and Finance Private Limited
Bangalore

Visage Holdings and Finance Private Limited
Notes to the Financial Statements
For the year ended 31 March 2020

1. Company Overview

Visage Holdings and Finance Private Limited ("VHFPL") was incorporated in New Delhi in 1996 and registered as a Non-banking Financial Company in 2000 and obtained Certificate of Registration from Reserve Bank of India ("RBI") on March 23, 2000. VHFPL was taken over by the current promoter in 2011 and subsequently the registered office was moved to Bangalore in 2013 and obtained a fresh Certificate of Registration from RBI (Certificate No : B-02.00255). VHFPL is now a Bangalore based social business that provides loans to Micro and Small businesses engaged primarily in manufacturing and trading operations. VHFPL helps develop business sustainability for these enterprises by providing asset or working capital loans without requiring land/property collateral. As at March 31, 2020, Kinara Capital (the brand under which VHFPL operates) has expanded its operations in 110 branches across 6 States and 1 Union Territory.

2. Significant Accounting Policies

2.1 Basis of preparation

The financial statements for the year ended March 31, 2020 have been prepared by the Company in accordance with Indian Accounting Standards ("Ind AS") notified by the Ministry of Corporate Affairs, Government of India under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016, as amended from time to time, in this regard.

For periods up to and including the year ended March 31, 2019, the Company presented its financial statements under the historical cost convention and accrual basis of accounting complying with the provisions of the Companies Act, 2013 (to the extent notified and applicable) and the Accounting Standards ('AS') specified under section 133 of the Companies Act, 2013 ("the Act") read with rule 7 of the Companies (Accounts) Rules 2014, and in accordance with generally accepted accounting principles in India ('Indian GAAP' or 'previous GAAP'), and the directions prescribed by the Reserve Bank of India ('RBI') for Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies, and the guidelines issued by the Securities and Exchange Board of India (SEBI) to the extent applicable.

Any application guidance/ clarifications/ directions issued by RBI or other regulators are implemented as and when they are issued/ applicable.

The financial statements for the year ended March 31, 2020 are the first financial statements of the Company prepared under Ind AS. An explanation of how the transition to Ind AS has affected the reported financial position, financial performance and cash flows of the Company is provided in note 46.

The accounting policies set out below have been applied consistently to the periods presented in these financial statements.

2.2 Basis of Measurement

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

i) Financial assets at Fair value through other comprehensive income (FVTOCI) that is measured at fair value
ii) Financial instruments at Fair value through profit and loss (FVTPL) that is measured at fair value
iii) Net defined benefit (asset)/ liability - fair value of plan assets less present value of defined benefit obligation
iv) Share based payments

BSR & Co. LLP

Visage Holdings and Finance Private Limited Bangalore

2.3 Functional and Presentation currency

These financial statements are presented in Indian Rupees (INR), which is the Company's functional and presentation currency. All amounts have been denominated in lacs and rounded off to the nearest two decimals, except when otherwise indicated.

2.4 Significant areas of estimation uncertainty, critical judgement and assumptions in applying accounting policies

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities (including contingent liabilities) at the date of the financial statements and the reported amounts of revenues and expenses for the reporting period. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of financial statements. Actual results could differ from these estimates. Any revisions to accounting estimates are recognized prospectively in the current and future periods.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively. The Company based its assumptions and estimates on parameters available when the financial statements were issued. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur. Following are areas that involved a higher degree of estimate and judgement or complexity in determining the carrying amount of some assets and liabilities.

(a) Effective Interest Rate (EIR) method

The Company recognizes interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loans given / taken. This estimation, by nature, requires an element of judgement regarding the expected behavior and lifecycle of the instruments, as well as expected changes to other fee income/expense that are integral parts of the instrument.

(b) Impairment of loans portfolio

The measurement of impairment losses across all categories of financial assets requires judgement in estimating the amount and timing of future cash flows and recoverability of collateral values while determining the impairment losses and assessing a significant increase in credit risk. The Company's Expected Credit Loss (ECL) calculation is the output of a complex model with a number of underlying assumptions regarding the choice of variable inputs and their inter-dependencies. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

- The Company's criteria for assessing if there has been a significant increase in credit risk
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL model, including the various formulae and the choice of inputs
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL model.

The impairment loss on loans and advances is disclosed in more detail in note 43 (ii)

(c) Defined employee benefit assets and liabilities

The cost of the defined benefit gratuity plan and 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 rates. A defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. [Refer note 35]

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(d) 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 various valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments 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. [Refer note 42]

(e) Share based payments

The fair value of employee share options has been measured using Black-Scholes model. The inputs used in the measurement of the grant-date fair values of the equity-settled share based payment plans are expected volatility, expected life of options and risk free interest rate. [Refer note 38]

2.5 Revenue recognition

Interest income is recorded using effective interest rate (EIR) method for all financial assets measured at amortised cost and at fair value through other comprehensive (FVOCI) income .

EIR is the rate that exactly discounts the estimated future cash flows through the expected life of the financial instrument or a shorter period, where appropriate. The calculation of the effective interest rate includes transaction costs and fees that are an integral part of the contract. Transaction costs include incremental costs that are directly attributable to the acquisition of financial asset. The Company calculates interest income by applying the EIR to the gross carrying amount. of financial assets other than credit-impaired assets. When a financial asset becomes credit-impaired, the Company calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial asset cures and is no longer credit impaired, the Company reverts to calculating interest income on a gross basis.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is recorded as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through Interest income in the Statement of profit and loss. The calculation of the effective interest rate includes transaction costs and fees that are an integral part of the contract. Transaction costs include incremental costs that are directly attributable to the acquisition of financial asset

Income from direct assignment transactions represents the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset de-recognized) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI.

The Company recognises either a servicing asset or a servicing liability for servicing contract. If the fee to be received is not expected to compensate the Corporation adequately for performing the servicing activities, a servicing liability for the servicing obligation is recognised at its fair value. If the fee to be received is expected to be more than adequate compensation for the servicing activities, a servicing asset is recognised. Corresponding amount is recognised in the Statement of Profit and Loss.

Interest income on all trading assets and financial assets required to be measured at FVTPL is recognised using the contractual interest rate as net gain on fair value changes. Interest on fixed deposits is recognised on a time proportion basis taking into account the amount outstanding and the applicable rate.

Delayed payment charges and fee-based income charges are treated to accrue on realisation, due to uncertainty of realisation and is accounted for accordingly. Income from collection and support services is recognised over time as the services are rendered as per the terms of the contract.

Recovery from bad debts written off is recognised as income on actual realisation from customers.

Dividend is recognised when the right to receive the dividend is established. All other items of income are accounted for on accrual basis

2.6 Financial instruments

I) Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

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

Assessment of Business model

The Company determines the business model at a level that reflects how financial assets are managed together to achieve a particular business objective. The Company's business model does not depend on management's intentions for an individual instrument; therefore the business model assessment is performed at a higher level of aggregation rather than on an instrument-by-instrument basis.

The Company considers all relevant information available when making the business model assessment. The Company takes into account all relevant evidence available such as:

- how the performance of the business model and the financial assets held within that business model are evaluated and reported to the Company's key management personnel;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and in particular, the way in which those risks are managed; and
- 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).

Solely Payments of Principal and Interest ['SPPI'] Test

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 reassess its business models each reporting period to determine whether the business models have changed since the preceding period.

For an asset to be classified and measured at amortised cost, its contractual terms should give rise to cash flows that meets the SPPI test on the principal outstanding.

For the purpose of 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.

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II) Classifications

Financial assets

A financial asset is classified as subsequently measured at either amortised cost or fair value through other comprehensive income ('FVTOCI') or fair value through profit and loss (FVTPL), depending on the contractual cash flow characteristics of the financial assets and the Company's business model for managing the financial assets.

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

Financial instruments at Amortised Cost

A financial asset is measured at amortised cost only if both of the following conditions are met:

• It is held within a business model whose objective is to hold assets in order to collect contractual cash flows.

• The contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

Financial assets at Fair Value through Other Comprehensive Income ('FVTOCI')

A financial asset is measured at FVTOCI only if both of the following conditions are met:

• It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

• The contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

Financial assets at Fair Value through Profit and Loss (FVTPL)

Any financial instrument, which does not meet the criteria for categorisation as at amortised cost or as FVOCI, is classified as at FVTPL.

Financial liabilities and equity instruments

Financial liabilities

Debt and equity instruments issued by the Company 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 instruments that give the holder the right to 'put' them back to the issuer for cash or other financial assets are financial liabilities of the Company. It creates a contractual obligation that the Company does not have the unconditional ability to avoid financial liabilities are classified, at initial recognition, as financial liabilities.

An instrument that imposes on the entity an obligation only on liquidation is reclassified as equity from the date on which it entitles holder to pro-rata share of entity's net assets in the event of entity's liquidation and; it ceases to include any contractual obligation to deliver cash or another financial asset or to exchange financial assets or financial liabilities under potentially unfavourable conditions; and the total expected cash flows attributable to the instrument over its life if substantially on profit or loss , change in recognised net assets or change in fair value of (un)recognised net assets of the entity.

When such instrument is reclassified from financial liabilities to equity, the equity instrument is measured at the carrying amount of the financial liability at the date of reclassification. There is no pre-tax profit or loss impact arising from the reclassification

Where the Company has an obligation to deliver a variable number of its own equity shares under a Contract, the Company classifies such contracts as financial liabilities.

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Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for trading. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of profit and loss. Any gain or loss on derecognition is also recognised in Statement of profit and loss.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company is recognised at the proceeds received, net of directly attributable transaction costs.

Financial guarantee contracts:

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument. Financial guarantee contracts issued by a Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109 - Financial Instruments; and

- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115.

III) Subsequent measurement

Amortised cost

Amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the EIR method of discount or premium on acquisition and fees or costs that are an integral part of the EIR and, for financial assets, adjusted for any impairment loss allowance. Interest income, foreign exchange gains and losses and impairment are recognised in Statement of profit and loss. Any gain and loss on derecognition is recognised in Statement of profit and loss.

Fair Valuation

Fair value is the price that is expected to be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date or, in its absence, the most advantageous market to which the Company has access at that date.

In the absence of quoted price in an active market, the Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

Financial assets subsequently measured at FVOCI

Interest income under effective interest method, foreign exchange gains and losses and impairment are recognised in Statement of profit and loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to Statement of profit and loss

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IV) De-recognition of financial assets and financial liabilities

Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily de-recognised (i.e. removed from the Company's balance sheet) when:

• The rights to receive cash flows from the asset have expired, or

• The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. The Company continues to recognise the loans on books which has been securitized under pass through arrangement and does not meet the de-recognition criteria.

On de-recognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset de-recognised) and the sum of the consideration received (including the value of any new asset obtained less any new liability assumed) is recognised in the statement of profit and loss.

Financial liabilities

The Company de-recognises a financial liability when its contractual obligations are discharged or cancelled, or expired. The difference between the carrying value of the financial liability and the consideration paid is recognised in Statement of profit and loss.

V) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet when the Company has a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

Impairment of Financial Assets

The Company recognises impairment allowances for Expected Credit Loss (ECL) on all the financial assets that are not measured at FVTPL:

ECL are probability weighted estimate of future credit losses based on the staging of the financial asset to reflect its credit risk. They are measured as follows:

• Stage 1: financial assets that are not credit impaired – as the present value of all cash shortfalls that are possible within 12 months after the reporting date.

• Stage 2: financial assets with significant increase in credit risk but not credit impaired – as the present value of all cash shortfalls that result from all possible default events over the expected life of the financial asset.

• Stage 3: financial assets that are credit impaired – as the difference between the gross carrying amount and the present value of estimated cash flows.

The Company recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition and when the financial instrument is credit impaired. If the credit risk on the financial instrument

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has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to twelve months ECL. Twelve months ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. The assessment of whether lifetime ECL should be recognized is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

The gross carrying amount of a financial assets are fully provided for or written off (either partially or in full) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Company determines that the Customer does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

However, financial assets that are written off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised as income in profit or loss.

In the normal course of business, the Company supports borrowers in distress and helps them in documentation for selling assets under hypothecation. Any surplus funds realised in due course are refunded. As a result of this practice, the assets / properties under legal repossession processes are not separately recorded on the balance sheet.

2.7 Property, plant and equipment

(a) Tangible assets

Property, plant and equipment are carried at cost of acquisition less accumulated depreciation and accumulated impairment loss (if any). The total cost of the asset comprises the purchase price, taxes, duties, freight (net of rebates and discounts) and any other directly attributable costs of bringing the assets to their working condition for their intended use. Borrowing costs directly attributable to acquisition of those assets which necessarily take a substantial period of time to get ready for their intended use are capitalised. Advances paid towards the acquisition of assets outstanding at each balance sheet date are disclosed as other non-financial assets. The cost of assets not ready for their intended use at each balance sheet date [less any recognised impairment loss]is disclosed as capital work-in-progress. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

(b) Depreciation and amortisation

Depreciation is charged over the estimated useful of the fixed assets on a written down value basis in the manner prescribed in Schedule II of the Companies Act, 2013. Depreciation is calculated on a pro-rata basis from the date of installation till the date the assets are sold or disposed.

Capital expenditure on leased properties is classified as leasehold improvements under fixed assets and amortised over the underlying lease term on written down value method.

For the following class of assets, based on internal assessment, the management believes that the useful lives as given below best represent the period over which management expects to use these assets. Hence the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

- Furniture and fittings 10 years
- Office equipment 5 years
- Computer hardware 3 years

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The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Software and system development expenditure are capitalised at cost of acquisition including cost attributable to bring the same in working condition and the useful life of the same is estimated as 3 years except for Loan Management Software for which the useful life is estimated as 6 years based on an internal technical evaluation, carried out by the Management, where it believes that the useful life as given above best represents the period over which Management expects to use these assets. Any expenses on such software for support and maintenance payable annually are charged to the statement of profit and loss.

Intangible assets are amortised over their estimated useful lives, not exceeding six years, on a written down value basis, commencing from the date the asset is available to the Company for its use.

De-recognition
An item of property, plant and equipment, intangible asset is de-recognised 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 property, plant and equipment, intangible asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

(c) Intangible assets

Recognition and measurement
Intangible assets with finite useful lives that are acquired separately are capitalised and carried at cost less accumulated amortisation and accumulated impairment losses.

De-recognition

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

Transition to Ind AS
The Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as of 1 April 2018 (the transition date) measured as per the previous GAAP and use such carrying value as its deemed cost as of the transition date.

2.8 Impairment of non-financial assets

The Company assesses at each balance sheet date whether there is any indication that an asset (comprising a cash generating unit) may be impaired. If any such indication exists, the Company estimates the recoverable amount of the cash generating unit. Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If such recoverable amount of the cash generating unit is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount, subject to a maximum of depreciable historical cost.

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Notes to the Financial Statements (Continued)
For the year ended 31 March 2020
2.9 Employee benefits

(a) Provident fund

Contributions paid / payable to the recognised Government administered provident fund scheme and ESIC, which is a defined contribution scheme, are charged to the statement of profit and loss."

(b) Gratuity

The Company provides for gratuity to all employees. The benefit is in the form of lump sum payments to vested employees on resignation, retirement, or death while in employment or on termination of employment of an amount equivalent to 15 days basic salary payable for each completed year of service as required under 'The Payment of Gratuity Act, 1972'. Vesting occurs upon completion of five years of service.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields of Government bonds as on the valuation date. 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 contribution to the plan

The change in defined benefit plan liability is split into changes arising out of service, interest cost and re-measurements and the change in defined benefit plan asset is split between interest income and re-measurements. Changes due to service cost and net interest cost / income is recognised in the statement of profit and loss.

Re-measurement, comprising of actuarial gains and losses (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit and loss in subsequent periods.

(c) Short-term employee benefits

All Employee benefits falling due wholly within 12 months of rendering the services are classified as short-term employee benefits which include benefits like salary, wages, compensated absences and performance incentives and are recognized as expenses in the period in which the employee renders the related service.

(d) Compensated absences

The employees of the Company are entitled to compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation based on the additional amount expected to be paid as a result of the unused entitlement that has accumulated at the balance sheet date.

(e) Share-based payment arrangements - Employee stock options

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment reserves in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest.

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When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through the Statement of Profit and Loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

2.10 Income Taxes

Income-tax expense comprises of current tax (i.e. amount of tax for the period determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). Income-tax expense is recognised in the statement of profit and loss except to the extent that it relates to items recognised directly in equity or in OCI.

(a) Current tax

Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961, enacted in India. Current tax comprises the tax payable on the taxable income or loss for the year and any adjustment to the tax payable in respect of previous years. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current tax assets and liabilities are offset only if, the Company:

• has a legally enforceable right to set off the recognised amounts; and

• intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(b) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are reviewed at each reporting date and based on management's judgement, are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if the Company:

• has a legally enforceable right to set off current tax assets against current tax liabilities; and

• the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

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2.11 Provision and contingencies

A provision in respect of loss contingencies relating to claims, litigation, assessment, fines, penalties, etc is recognised when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as finance cost.

A contract is considered as onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at 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.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

2.12 Finance costs

Finance costs include interest expense computed by applying the effective interest rate on respective financial instruments measured at Amortised cost. Financial instruments include term loans, non-convertible debentures, securitisation borrowings and subordinated debts. Finance costs are charged to the Statement of profit and loss. Effective from 1 April 2019, on application of Ind AS 116 (Leases), interest expense on lease liabilities computed by applying the Company's weighted average incremental borrowing rate has been included under finance costs.

2.13 Earnings per share

The Company reports basic and diluted earnings per share in accordance with Indian Accounting Standard 33 – "Earnings Per Share". Basic earnings per share is calculated by dividing the net profit or loss after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share reflects the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders for the year by weighted average number of equity shares considered for deriving basic earnings per share and weighted average number of equity shares that could have been issued upon conversion of all potential equity shares.

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2.14 Cash and cash equivalent

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

2.15 Cash flow statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of non-cash future, any deferrals or accruals of past or future operating cash receipts or payments and item of expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

2.16 Debenture Redemption Reserve

As per Rule 18(7)(b)(ii) of the Companies (Share Capital and Debentures) Rules, 2014 read with Section 71(4) of the Companies Act 2013 in case of non-banking financial companies registered with Reserve Bank of India (RBI) under Section 45-IA of the RBI (Amendment) Act, 1997, no Debt Redemption Reserve (DRR) is required to be created in case of privately placed debentures. Pursuant to this exemption, the Company does not intend to create any reserve for the redemption of the debentures.

2.17 Foreign currency transactions

Foreign currency transactions are accounted for at the rates prevailing on the date of the transaction. Exchange differences, if any arising out of transactions settled during the year are recognised in the Statement of Profit and Loss. Monetary assets and liabilities denoted in foreign currencies as at the Balance Sheet date are translated at the closing exchange rates. Resultant exchange differences, if any, are recognised in the Statement of Profit and Loss and related assets and liabilities are accordingly restated in the Balance Sheet. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency at the Balance Sheet date are reported using exchange rates at the date of the transaction.

2.18 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company. Refer note 51 for details on segment information presented.

2.19 Leases

The Company's leased asset class consists of leases for office spaces. 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). For these short-term leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

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At the commencement date, the Company measures the right-of-use asset at cost, which includes the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date less any lease incentives received, any initial direct costs incurred by the lessee and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the office space or restoring the underlying asset to the condition required by the terms and conditions of the lease. The Company incurs the obligation for those costs either at the commencement date or as a consequence of having used the underlying asset during a particular period.

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. Right of use 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 in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if 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.

2.20 Goods and Services tax input credit

Goods and services tax input credit is recognised in the books of accounts in the period in which the supply of goods or service received is recognised and when there is no uncertainty in availing/utilising the credits.

Expenses and assets are recognised net of the goods and services tax/value added taxes paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

2.21 Standards issued but not yet effective

There are neither new standards nor amendments to existing standards which are effective for the annual period beginning from 01 April 2020.

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Visage Holdings and Finance Private Limited
Notes to financial statements for the year ended 31 March 2020 (Continued)
(All amounts are in INR lacs except share data and unless otherwise stated)

	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
3 Cash and cash equivalents			
Cash on hand	0.71	13.26	29.88
Cheques on hand	-	-	0.26
Balances with banks			
In current account	4,024.42	2,704.08	2,617.67
In deposits with original maturity of 3 months or less	6,901.24	19,577.70	2,000.33
Total	**10,926.37**	**22,295.04**	**4,648.14**
4 Bank balance other than cash and cash equivalents			
Lien marked deposits with Bank	1,567.46	1,157.96	619.12
Total	**1,567.46**	**1,157.96**	**619.12**

Balances with banks held (excluding interest accrued) as security against borrowings, guarantees amounts to ₹ 601.07 lacs (31 March 2019: ₹ 530.33 lacs and 1 April 2018: ₹ 257.50 lacs) and as cash collateral for securitisation of receivables amounts to ₹ 848.24 lacs (31 March 2019: ₹ 558.20 lacs and 1 April 2018: ₹ 339.58 lacs).

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Visage Holdings and Finance Private Limited

Notes to financial statements for the year ended 31 March 2020 (Continued)

(All amounts are in INR lacs except share data and unless otherwise stated)

	Amortised Cost	At Fair Value through other comprehensive income	Total
5 Loans			
As at 31 March 2020			
(A) i) Term loans	-	83,937.04	83,937.04
ii) Staff Loan	35.67	-	35.67
iii) Loan to Visage Trust	4.42	-	4.42
Total (A) -Gross	**40.09**	**83,937.04**	**83,977.13**
Less : Impairment loss allowance*	-	(2,774.91)	(2,774.91)
Total (A) - Net	**40.09**	**81,162.13**	**81,202.22**
(B) ii) Secured by tangible assets #	-	54,929.98	54,929.98
iii) Unsecured	40.09	29,007.06	29,047.15
Total (B) - Gross	**40.09**	**83,937.04**	**83,977.13**
Less: Impairment loss allowance *	-	(2,774.91)	(2,774.91)
Total (B) - Net	**40.09**	**81,162.13**	**81,202.22**
(C) Loans in India			
i) Public Sector	-	-	-
ii) Others	40.09	83,937.04	83,977.13
Total (C) - Gross	**40.09**	**83,937.04**	**83,977.13**
Less: Impairment loss allowance*	-	(2,774.91)	(2,774.91)
Total (C) -Net	**40.09**	**81,162.13**	**81,202.22**

* Refer note 43 (ii)

Secured by machineries, non-machinery assets and stocks.

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Visage Holdings and Finance Private Limited Bangalore

(All amounts are in INR lacs except share data and unless otherwise stated)

5 **Loans (Continued)**

As at 31 March 2019

	Amortised Cost	At Fair Value through other comprehensive income	Total
(A) i) Term loans	-	65,840.09	65,840.09
ii) Staff Loan	23.21	-	23.21
iii) Loan to Visage Trust	4.41	-	4.41
Total (A) -Gross	**27.62**	**65,840.09**	**65,867.71**
Less : Impairment loss allowance*	-	(3,740.14)	(3,740.14)
Total (A) - Net	**27.62**	**62,099.95**	**62,127.57**
(B) ii) Secured by tangible assets #	-	51,030.38	51,030.38
iii) Unsecured	27.62	14,809.71	14,837.33
Total (B) - Gross	**27.62**	**65,840.09**	**65,867.71**
Less: Impairment loss allowance*	-	(3,740.14)	(3,740.14)
Total (B) - Net	**27.62**	**62,099.95**	**62,127.57**
(C) Loans in India			
i) Public Sector	-	-	-
ii) Others	27.62	65,840.09	65,867.71
Total (C) - Gross	**27.62**	**65,840.09**	**65,867.71**
Less: Impairment loss allowance*	-	(3,740.14)	(3,740.14)
Total (C) -Net	**27.62**	**62,099.95**	**62,127.57**

* Refer note 43 (ii)

Secured by machineries, non-machinery assets and stocks.

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Visage Holdings and Finance Private Limited
Notes to financial statements for the year ended 31 March 2020 (Continued)
(All amounts are in INR lacs except share data and unless otherwise stated)

	Amortised Cost	At Fair Value through other comprehensive income	Total
5 Loans (Continued)			
<u>As at 1 April 2018</u>			
(A) i) Term loans	-	38,992.97	38,992.97
ii) Staff Loan	7.02	-	7.02
iii) Loan to Visage Trust	4.41	-	4.41
Total (A) -Gross	**11.43**	**38,992.97**	**39,004.40**
Less : Impairment loss allowance*	-	(912.51)	(912.51)
Total (A) - Net	**11.43**	**38,080.46**	**38,091.89**
(B) ii) Secured by tangible assets #	-	22,548.66	22,548.66
iii) Unsecured	11.43	16,444.31	16,455.74
Total (B) - Gross	**11.43**	**38,992.97**	**39,004.40**
Less: Impairment loss allowance*	-	(912.51)	(912.51)
Total (B) - Net	**11.43**	**38,080.46**	**38,091.89**
(C) Loans in India			
i) Public Sector	-	-	-
ii) Others	11.43	38,992.97	39,004.40
Total (C) - Gross	**11.43**	**38,992.97**	**39,004.40**
Less: Impairment loss allowance*	-	(912.51)	(912.51)
Total (C) -Net	**11.43**	**38,080.46**	**38,091.89**

* Refer note 43 (ii)

Secured by machineries, non-machinery assets and stocks.

There are no dues by director or other officers of the company or any firm or private company in which any director is a partner, director or a member as at 31 March 2020, 31 March 2019 and 1 April 2018.

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Visage Holdings and Finance Private Limited Bengaluru

(All amounts are in INR lacs except share data and unless otherwise stated)

	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
6 Other financial assets			
Security deposits	287.42	230.76	120.79
Excess interest spread receivable	149.49	-	-
Receivables under Co-lending arrangement	98.60	114.59	12.09
Servicing asset relating to Co-lending arrangement	268.77	177.41	97.07
Other deposits	415.42	124.63	21.67
Others	4.25	0.11	1.03
Total	**1,223.95**	**647.50**	**252.65**

	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
7 Current tax assets (net)			
Advance tax and deduction at source (net of provision for taxes)	495.40	26.37	-
Total	**495.40**	**26.37**	**-**

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Bangalore

(All amounts are in INR lacs except share data and unless otherwise stated)

8 Income tax

A. Amounts recognised in statement of profit or loss

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Current tax		
Current period (a)	412.14	561.39
Changes in estimates related to prior years (b)	-	(46.35)
	412.14	**515.04**
Deferred tax (c)		
Attributable to-		
Origination / (Reversal) of temporary differences	221.52	(841.13)
Rate change [Remeasurement of opening deffered tax assets due to income tax rate change from 29.12% to 25.17 % (31 March 2019 : 33.06 % to 29.12 %]	171.49	57.25
Sub-total (c)	**393.01**	**(783.88)**
Tax expense (a)+(b)+(c)	**805.15**	**(268.84)**

B. Income tax recognised in other comprehensive income

Particulars	Year ended 31 March 2020 Income Tax	Year ended 31 March 2019 Income Tax
Remeasurements of the defined benefit plans	(0.54)	1.20
Debt instruments through other comprehensive income	(14.99)	10.18
	(15.53)	**11.38**

C. Reconciliation of effective tax rate

Particulars	Year ended 31 March 2020		Year ended 31 March 2019	
	%	Amount	%	Amount
Profit before tax		2,616.17		(1,043.17)
Tax using the Company's domestic tax rate	25.17%	658.49	29.12%	(303.77)
Effect of:				
Impact of income tax rate change from 29.12% to 25.17 % (31 March 2019 : 33.06 % to 29.12 %]	6.56%	171.49	(5.49%)	57.25
Others	(0.95%)	(24.83)	(2.30%)	24.03
	30.78%	**805.15**	**21.33%**	**(222.49)**
Provisions relating to earlier years	-	-	4.44%	(46.35)
Effective tax rate/Income tax expense reported in the statement of profit and loss	**30.78%**	**805.15**	**25.77%**	**(268.84)**

The Company has elected to exercise the option of the lower tax rate permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised the provision for income tax for the year ended 31 March 2020 and re-measured its deferred tax assets basis the rate prescribed in the aforesaid said section. The company has accounted for the full impact of this change in the Statement of Profit and Loss for the financial year 2019-20 by making suitable adjustments to the estimated annual effective income tax rate.

The tax rate used for reconciliation above is the corporate tax rate of 25.17% for the financial year 2019-20 and 29.12% for the financial year 2018-19 payable by corporate entities in India on taxable profits under the applicable tax laws in Indian jurisdiction.

The deferred tax charge relating to reduction in tax rate in the previous financial year is on account of corporate tax rate under the tax laws in Indian Jurisdiction changing from 33.06% in financial year 2017-18 to 29.12% in financial year 2018-19.

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Visage Holdings and Finance Private Limited
Notes to financial statements for the year ended 31 March 2020 (Continued)
(All amounts are in INR lacs except share data and unless otherwise stated)

8 Income tax (Continued)

D. Deferred tax assets, net

Movement of deferred tax assets / liabilities

Particulars	As at 31 March 2019	Recognised in profit or loss during the year	Recognised in OCI during the year	As at 31 March 2020
Deferred tax assets:				
Provision for employee benefits	34.10	6.65	(0.54)	40.21
Property, plant and equipment	30.34	28.23	-	58.57
Impairment loss allowance and related adjustments to loans	940.15	(296.05)	-	644.10
Application of effective interest rate method on financial assets and financial liabilities	315.61	(118.25)	-	197.36
Fair valuation of Financial guarantee contracts	24.15	3.11	-	27.26
Fair Valuation of loans	23.64	-	(14.99)	8.65
Lease liabilities and right to use assets	1.48	9.73	-	11.21
	1,369.47	**(366.58)**	**(15.53)**	**987.36**

Particulars	As at 31 March 2019	Recognised in profit or loss during the year	Recognised in OCI during the year	As at 31 March 2020
Deferred tax liabilities:				
Recognition of servicing assets under Co-lending arrangement	51.66	15.99		67.65
Loans (application of recognition criteria on financial assets)	27.18	(27.18)		-
Excess interest spread receivable	-	37.63		37.63
	78.84	**26.44**	**-**	**105.28**
Net deferred tax assets	**1,290.63**	**(393.02)**	**(15.53)**	**882.08**

Particulars	As at 1 April 2018	Recognised in profit or loss during the year	Recognised in OCI during the year	As at 31 March 2019
Deferred tax assets:				
Provision for employee benefits	21.17	11.73	1.20	34.10
Property, plant and equipment	16.39	13.95	-	30.34
Impairment loss allowance and related adjustments to loans	263.12	677.03	-	940.15
Application of effective interest rate method on financial assets and financial liabilities	196.29	119.32	-	315.61
Fair valuation of Financial guarantee contracts	15.16	8.99	-	24.15
Fair Valuation of loans	13.46		10.18	23.64
Lease liabilities and right to use assets	1.88	(0.40)	-	1.48
	527.47	**830.62**	**11.38**	**1,369.47**
Deferred tax liabilities:				
Recognition of servicing assets under Co-lending arrangement	32.09	19.57	-	51.66
Loans (application of recognition criteria on financial assets)	-	27.18	-	27.18
	32.09	**46.75**	**-**	**78.84**
Net deferred tax assets	**495.38**	**783.87**	**11.38**	**1,290.63**

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(All amounts are in INR lacs except share data and unless otherwise stated)

9 Property, plant and equipment

Particulars	Gross block				Accumulated Depreciation and amortisation				Net block	
	As at 31 March 2019	Additions	Deletions / adjustments	As at 31 March 2020	As at 31 March 2019	For the year	Deletions / adjustments	As at 31 March 2020	As at 31 March 2020	As at 31 March 2019
Owned Assets										
Fixed assets for own use										
Furniture and fixtures	184.89	90.28	43.69	**231.48**	44.67	45.25	12.59	**77.33**	**154.15**	**140.22**
Office equipment	49.38	211.20	1.52	**259.06**	20.09	85.01	0.75	**104.35**	**154.71**	**29.29**
Leasehold improvements	0.76	428.20	0.76	**428.20**	0.48	47.07	0.49	**47.06**	**381.14**	**0.28**
Computer	194.61	154.35	14.10	**334.86**	94.26	101.75	10.07	**185.94**	**148.92**	**100.35**
Total	**429.64**	**884.03**	**60.07**	**1,253.60**	**159.50**	**279.08**	**23.90**	**414.68**	**838.92**	**270.14**

Particulars	Cost / Deemed cost (Refer Note 46)				Accumulated Depreciation and amortisation				Net block	
	As at 1 April 2018	Additions	Deletions / adjustments	As at 31 March 2019	As at 1 April 2018	For the year	Deletions / adjustments	As at 31 March 2019	As at 31 March 2019	As at 1 April 2018
Owned Assets										
Fixed assets for own use										
Furniture and fixtures	124.09	60.80	-	**184.89**	-	44.67	-	44.67	**140.22**	**124.09**
Office equipment	19.68	29.70	-	**49.38**	-	20.09	-	20.09	**29.29**	**19.68**
Leasehold improvements	0.76	-	-	**0.76**	-	0.48	-	0.48	**0.28**	**0.76**
Computer	68.86	125.86	0.11	**194.61**	-	94.27	0.01	94.26	**100.35**	**68.86**
Total	**213.39**	**216.36**	**0.11**	**429.64**	-	**159.51**	**0.01**	**159.50**	**270.14**	**213.39**

For details on contractual commitment, refer note 40

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(All amounts are in INR lacs except share data and unless otherwise stated)

10 Capital work in progress

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Capital work in progress	17.72	102.23	-

11 Intangible assets under development

Particulars	As at 1 April 2018	Additions	Deletions	Wriiten off	As at 31 March 2019	Additions	Deletions	Wriiten off	As at 31 March 2020
Intangible assets under development	-	-	-	-	-	9.27	-	-	9.27

12 Other intangible assets

Description of assets	Gross block				Accumulated Depreciation and amortisation				Net block	
	As at 31 March 2019	Additions	Deletions / adjustments	As at 31 March 2020	As at 31 March 2019	For the year	Deletions / adjustments	As at 31 March 2020	As at 31 March 2020	As at 31 March 2019
Computer software	121.61	110.21	-	231.82	36.50	55.05	-	91.55	140.27	85.11
Total	**121.61**	**110.21**	**-**	**231.82**	**36.50**	**55.05**	**-**	**91.55**	**140.27**	**85.11**

Description of assets	Cost / Deemed cost (Refer Note 46)				Accumulated Depreciation and amortisation				Net block	
	As at 1 April 2018	Additions	Deletions / adjustments	As at 31 March 2019	As at 1 April 2018	For the year	Deletions / adjustments	As at 31 March 2019	As at 31 March 2019	As at 1 April 2018
Computer software	48.61	73.00	-	121.61	-	36.50	-	36.50	85.11	48.61
Total	**48.61**	**73.00**	**-**	**121.61**	**-**	**36.50**	**-**	**36.50**	**85.11**	**48.61**

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(All amounts are in INR lacs except share data and unless otherwise stated)

	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
13 Other non-financial assets			
GST receivable	1,041.62	409.65	102.43
Prepaid expenses	526.06	67.82	38.67
Capital advances	64.79	90.23	27.26
Advance to employees	136.87	98.56	38.64
Other Advances	93.41	30.32	22.62
Total	**1,862.75**	**696.58**	**229.62**

	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
14 Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	127.76	78.77	13.83
Total	127.76	78.77	13.83

*The Company has no dues to micro and small enterprises covered under the Micro, Small and Medium Enterprises Development Act, 2006, as at 31 March 2020, 31 March 2019 and 1 April 2018. This information is required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006, and has been determined to the extent such parties have been identified on the basis of information available with the Company. The same has been relied upon by auditors.

		As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
a)	Dues remaining unpaid to any supplier at the year end			
	- Principal	-	-	-
	- Interest on the above	-	-	-
b)	Interest paid in terms of Section 16 of the MSMED Act along with the amount of payment made to the supplier beyond the appointed day during the year			
	- Principal paid beyond the appointed date	-	-	-
	- Interest paid in terms of Section 16 of the MSMED Act	-	-	-
c)	Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year	-	-	-
d)	Amount of interest accrued and remaining unpaid	-	-	-
e)	Further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises	-	-	-

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Visage Holdings and Finance Private Limited Bangalore

(All amounts are in INR lacs except share data and unless otherwise stated)

	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
15 Debt securities			
(A) (a) At Amortised Cost			
Liability component of Financial Liabilities [Obligation to buy back own equity instruments]^	-	-	12,780.72
(b) At Amortised Cost - Secured			
Redeemable non convertible debentures*	23,256.65	25,243.24	5,279.30
(c) At Amortised Cost - Unsecured			
Redeemable non convertible debentures	2,482.46	1,233.37	1,229.14
Compulsory convertible debentures	46.87	8.50	8.50
Total (A)	**25,785.98**	**26,485.11**	**19,297.66**
(B) Debt securities in India	25,785.98	26,485.11	19,297.66
Debt securities outside India	-	-	-
Total (B)	**25,785.98**	**26,485.11**	**19,297.66**

*Debentures are secured by first ranking exclusive charge of hypotication of portfolio loans/receivables to the extent of more than 100% of outstanding secured loans/debentures

The funds raised by the Company during the year by issue of secured/unsecured non-convertible debentures were utilised for the purpose intended, i.e. towards lending in compliance with applicable laws.

The Company has not defaulted in repayment of Principal and Interest during the year on the secured/unsecured redeemable non convertible debentures

The secured/unsecured redeemable non-convertible debentures are payable on bullet repayment basis.

^ Pursuant to the Shareholders' Agreement dated 7 September 2017 ['the Agreement'], the Company had an obligation to provide an exit to major shareholders [as defined in the Agreement] in the form of a buy-back, after the expiry of relevant timeline and in the manner set out in the Agreement. The Company was required to consummate the buy-back at the fair market value determined by an acceptable Auditor or a reputable investment banking firm as approved by the Board of Directors. Accordingly, the Company classified the Agreement as a Financial liability and recorded the same at its fair value at 1 April 2018.

The Company entered into an addendum to the Agreement on 22 March 2019 with the aforesaid Major shareholders, wherein the relevant clause related to such buy-back was deleted in entirety. Consequently, the Agreement ceased to include any contractual obligation on the Company to deliver cash or another financial asset or to exchange financial assets or financial liabilities under potentially unfavorable conditions. Accordingly, the Company classified such instruments as Equity as at 31 March 2019, wherein the equity instrument was measured at the carrying amount of the aforesaid financial liability at the date of reclassification. There is no pre-tax profit or loss impact arising from the reclassification.

Terms of maturity of secured redeemable non-convertible debentures

Maturity schedule	Interest rate range (p.a.)			Amount		
	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
0 - 1 Years	12.00%-13.60%	12.00%-13.60%	12.06%-13.40%	12,372.80	2,594.98	94.76
1 - 3 Years	12.00%-13.00%	12.00%-13.60%	13.40%	10,883.85	22,648.26	2,016.06
3 - 5 Years	-	-	12.06%	-	-	3,168.48
> 5 Years	-	-	-	-	-	-
				23,256.65	**25,243.24**	**5,279.30**

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Visage Holdings and Finance Private Limited Bangalore

(All amounts are in INR lacs except share data and unless otherwise stated)

15 Debt securities (Continued)

Terms of maturity of unsecured redeemable non-convertible debentures

Maturity schedule	Interest rate range (p.a.)			Amount		
	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
0 - 1 Years	13.09%	13.50%	13.50%	1,071.92	1,233.37	37.75
1 - 3 Years	13.09%	-	13.50%	1,410.54	-	1,191.39
				2,482.46	1,233.37	1,229.14

Terms of maturity of unsecured compulsory convertible debentures.

Maturity schedule	Interest rate range (p.a.)			Amount		
	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
0 - 1 Years	-	-	-	-	-	-
1 - 3 Years	-	-	-	8.50	8.50	8.50
3 - 5 Years	-	-	-	38.37	-	-
				46.87	8.50	8.50

The above unsecured compulsory convertible debentures ['CCD'] are issued to the CEO cum Whole time Director of the Company and are interest free. These are compulsory convertible into Class A1 Equity Shares at a conversion ratio [range of 1:42.5 or 1:51.90, as applicable] (i.e. one CCD may convert into 42.5 or 51.90 Class A1 Equity Shares), subject to the terms and conditions attached upon conversion. These Class A1 Equity Shares issued on conversion will rank pari-passu in all respects with the existing issued and subscribed Class A1 Equity Shares of the Company. Further, the Board of Directors vide a circular resolution on 20 January 2020, approved the collapse of the existing exit waterfall mechanism laid out in the Shareholders' Agreement dated 7 September 2017, and as amended on 22 March 2019, basis which the above conversion ratio will be determined at the time of conversion of such CCD. Accordingly, the Company has measured the above CCD at the floor ratio of 1:1.

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	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
16 Borrowings (other than debt securities)			
At Amortised Cost			
(A) (a) Term loan - secured *			
(i) from banks	12,537.12	8,311.59	5,182.10
(ii) from others	24,098.23	23,720.57	16,499.38
(b) Other Loans - secured *			
(i) Payables under securitisation arrangement	6,460.35	5,211.84	4,202.80
Total (A)	**43,095.70**	**37,244.00**	**25,884.28**
(B) Borrowings in India	43,095.70	37,244.00	25,884.28
Borrowings outside India	-	-	-
Total (B)	**43,095.70**	**37,244.00**	**25,884.28**

*** Nature of security**

a) All secured loans are secured by exclusive charge over hypothecation of portfolio loans/receivables, cash collaterals and such other assets of the Company such that security cover is met.

b) The Company has not defaulted in repayment of Principal and Interest during the year relating to the above loans.

c) Securitisation payables represents amounts received in respect of securitisation transactions (net of repayments) as these transactions do not meet the derecogniton criteria as per the provisions of Ind AS 109. This are secured by way of hypothecation of designated loans assets.

Terms of repayment of term loans (secured)#

Maturity schedule	Interest rate range (p.a.) *			Amount		
	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Quarterly installments						
0 - 1 Years	12.00% - 12.90%	12.00% - 14.00%	12.25% - 14.00%	1,465.81	1,744.37	1,274.58
1 - 3 Years	12.00% - 12.50%	12.00% -12.50%	12.25% - 14.00%	895.61	1,490.57	866.36
3 - 5 Years	12.50%	-	12.25%	415.79	-	1,499.98
> 5 years	-	12.50%	-	-	313.63	-
				2,777.21	**3,548.57**	**3,640.92**
Monthly installments						
0 - 1 Years	10.71% - 15.25%	10.20% - 15.25%	10.20% - 16.00%	21,674.63	13,216.90	7,041.29
1 - 3 Years	11.60% - 14.20%	10.20% - 15.25%	10.20% - 15.00%	12,121.18	14,680.85	7,493.46
3 - 5 Years	13.30%	13.15%	13.00%-14.00%	62.33	585.84	3,505.81
> 5 Years	-	-	-	-	-	-
				33,858.14	**28,483.59**	**18,040.56**
				36,635.35	**32,032.16**	**21,681.48**

The company has breached the financial covenant of the ratio of credit impaired loans to total loans as at 31 March 2020, with respect to certain term loans availed from banks and financial institutions having an outstanding balance of INR 5,089.76 Lacs. The company has applied to these banks and financial institutions to obtain a waiver of the breach of the above financial covenant. These banks and financial institutions have not demanded the repayment of amount outstanding as at 31 March 2020 till the date of approval of financial statements by the Board of Directors of the Company. Majority of the above lenders have also granted moratorium on repayment of dues for 2 months to the Company pursuant to RBI notification no. RBI/2019-20/220 DOR.No.BP.BC.63/21.04.048/2019-20 dated 17 April 2020 on COVID-19 Regulatory Package – 'Asset Classification and Provisioning'. However, as a matter of abundant caution and applying the principles of prudence, the company has disclosed such term loans as repayable on demand, pursuant to the relevant clauses in the agreement with such banks and financial institutions in the following Notes:
Note 34-Maturity pattern of assets and liabilities
Note 43 (iii) -Liquidity risk
Note 47 (e) -Asset liability Maturity Pattern

Terms of maturity of Payables under securitisation arrangement

Maturity schedule	Interest rate range (p.a.) *			Amount		
	31 March 2020	31 March 2019	1 April 2018	31 March 2020	31 March 2019	1 April 2018
0 - 1 Years	11.08%-11.45%	10.68%-12.13%	10.68%-12.15%	4,738.82	3,791.13	2,876.13
1 - 3 Years	11.08%-11.45%	10.68%-11.33%	10.68%-12.13%	1,721.53	1,420.71	1,326.67
				6,460.35	**5,211.84**	**4,202.80**

* The rates mentioned above are the applicable rates as at the year end date linked to MCLR (Marginal Cost of funds based Lending Rate) and Treasury bills plus spread

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(All amounts are in INR lacs except share data and unless otherwise stated)

	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
17 Subordinated liabilities			
At Amortised Cost - Unsecured			
(A) Subordinated redeemable non convertible debentures (Tier II capital)	4,815.98	4,817.93	1,198.07
Total (A)	**4,815.98**	**4,817.93**	**1,198.07**
(B) Subordinated liabilities in India	4,815.98	4,817.93	1,198.07
Subordinated liabilities outside India	-	-	-
Total (B)	**4,815.98**	**4,817.93**	**1,198.07**

Terms of maturity of redeemable non convertible debentures (Tier II capital)

Maturity schedule	Interest rate range (p.a.)			Amount		
	31 March 2020	31 March 2019	1 April 2018	31 March 2020	31 March 2019	1 April 2018
0 - 1 Years	15.60%-16.90%	14.10%-16.90%	16.90%	2.24	5.76	0.57
1 - 3 Years	16.90%	-	-	1,198.39	-	-
3 - 5 Years	14.10%-15.60%	16.90%	-	3,615.35	1,197.90	-
> 5 Years	-	14.10%-15.60%	16.90%	-	3,614.27	1,197.50
				4,815.98	**4,817.93**	**1,198.07**

The Company has not defaulted in repayment of principal and interest relating to subordinated liabilities.
The subordinated redeemable non-convertible debentures are payable on bullet repayment basis.

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	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
18 Other financial liabilities			
Dues to Employees	361.69	248.83	78.12
EMI received in advance	4,071.14	2,810.29	1,628.10
Insurance premium payable	28.52	55.95	61.74
Capital Creditors	33.57	0.57	0.38
Payables under Co-Lending arrangements	-	18.13	24.19
Financial guarantee contracts	108.29	82.92	45.85
Pending remittance on assignment	131.83	-	-
Total	**4,735.04**	**3,216.69**	**1,838.38**

There were no amount which were required to be transferred to the Investor Education and Protection Fund

19 Current tax liabilities (net)			
Provision for tax (net of advance tax)	9.34	18.62	32.06
Total	**9.34**	**18.62**	**32.06**

20 Provisions			
Provision for Employee benefits [Refer note 35]			
- Gratuity	120.60	77.27	35.68
- Leave encashment	39.14	39.82	28.33
Total	**159.74**	**117.09**	**64.01**

21 Other non-financial liabilities			
Statutory dues payable	255.23	162.14	91.17
Accrued expenses	70.90	85.30	44.82
Others	6.50	4.90	2.67
Total	**332.63**	**252.34**	**138.66**

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	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
22 Equity			
Authorised			
Class A equity shares of Rs. 10 each	30.00	30.00	30.00
Class A1 equity shares of Rs. 10 each	725.56	725.56	520.00
	755.56	**755.56**	**550.00**
Issued, subscribed and paid-up			
Equity share capital			
Class A1 equity shares of Rs. 10 each, fully paid	672.41	640.94	479.74
Less: Amount recoverable from ESOP Trust (face value of 370,900 shares allotted to Trust (refer note below)	(37.09)	(37.09)	(37.09)
	635.32	603.85	442.65

Reconciliation of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31 March 2020		As at 31 March 2019	
	Number	Amount	Number	Amount
Equity shares				
At the commencement of the period	6,409,427	640.94	4,797,436	479.74
Shares Issued	314,680	31.47	1,611,991	161.20
Issued, subscribed and paid up share capital	**6,724,107**	**672.41**	**6,409,427**	**640.94**

Equity shares:

Class A/ A1 equity shares have a par value of Rs. 10 each. Each holder of Class A/A1 equity share is entitled to paripassu voting rights. In the event of liquidation, the equity shareholders are eligible to receive the residual assets of the Company after distribution of all preferential amounts, in proportion to their shareholding. All other rights and restrictions attached to Class A1 Equity Shares are as per the Shareholders' Agreement. All equity shares rank pari passu with regard to dividends and residual assets of the Company.

The Company has given an interest and collateral free loan to Visage Trust to provide financial assistance for purchase of equity shares of the Company. The Company has established the Visage Trust to administer Employee Stock Option Plan (ESOP) to which there were no shares issued (previous year: 370,900 shares). These shares will be subsequently issued to the employees pursuant to ESOP Plan. The loan amount recoverable from the Visage Trust has been reduced from share capital to the extent of the face value as per the requirement of the Guidance note on share based payment issued by Institute of Chartered Accountants of India (ICAI).

Fresh issue of Equity Share Capital:

During the year, pursuant to the approval of Board of Directors in the meeting held on 10 June 2019, the Company has issued and allotted 3,14,680 Class A1 equity shares of face value Rs.10 at premium of Rs. 509.03 on preferential basis and share issue expenses of INR 13.13 lacs has been adjusted against securities premium reserve

During the previous year, Pursuant to the passing of the above resolution, the Company has issued and allotted 1,611,991 class A1 equity shares of face value Rs. 10/- at premium of 509.03 and share issue expenses of INR 47.22 lacs has been adjusted against securities premium reserve. These equity shares were allotted on 29 March 2019.

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22 Equity (Continued)

Shares allotted as fully paid-up without payment being received in cash / by way of bonus shares:

The Company has not allotted any fully paid up shares by way of bonus shares, or in pursuance to contract without payment being received in cash during the period of five years immediately preceding the reporting date.

Shareholders holding more than 5% shares

Name of the shareholder	As at 31 March 2020		As at 31 March 2019		As at 1 April 2018	
	%	No. of shares	%	No. of shares	%	No. of shares
Class A1 Equity shares of Rs. 10 each, fully paid						
Gaja Capital Fund II Limited	22.93%	1,541,708	24.05%	1,541,708	19.76%	947,898
Michael & Susan Dell Foundation	12.82%	862.161	13.45%	862,161	11.05%	530,088
Unitus Impact PCC-LIF Mauritius	11.90%	800,396	12.49%	800,396	12.93%	620,396
Hardika Shah	11.39%	765,930	11.95%	765,930	15.97%	765,930
Global Impact Funds SCA SICAR - SubFund Global Financial Inclusion Fund	11.27%	758,011	11.83%	758,011	15.80%	758,011
Visage Trust	5.52%	370,900	5.79%	370,900	7.72%	370,900
Sorenson Impact Foundation	3.66%	245,931	3.84%	245,931	5.13%	245,931

23 Other equity

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Statutory Reserves	659.24	297.04	131.24
Impairment Reserve	23.96	-	-
Securities Premium	18,746.05	17,157.36	8,999.04
Share option Outstanding	203.04	55.34	10.38
Fair Value of Financial Liabilities[Obligation to buy back own equity instruments]	-	-	(12,780.72)
Retained Earnings	(166.34)	(1,591.35)	(647.67)
Debt instruments(Loans) through Other Comprehensive Income	(25.70)	(57.54)	(27.25)
Total	**19,440.25**	**15,860.85**	**(4,314.98)**

Statutory reserve (created pursuant to Section 45-IC of the Reserve Bank of India Act, 1934)

Statutory reserve represents the Reserve Fund created under section 45-IC of the Reserve Bank of India Act, 1934. Under section 45-IC, the Company is required to transfer a sum not less than twenty percent of its net profit for the financial year to the statutory reserve. The statutory reserve can be utilized for the purposes as may be specified by the Reserve Bank of India from time to time.

Impairment Reserve

The impairment reserve has been created by the company pursuant to the requirement of RBI Notification RBI/2019-20/170 DOR NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13 March 2020. The amount represents the shortfoll of expected credit loss (ECL) under Ind AS 109 when compared to the provisioning required under IRACP (including standard asset provisioning), with respect to Stage II assets.However, the total provisions made under ECL is higher than the requirements under IRACP with respect to the overall book.

Securities premium

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

Share option outstanding

The Company instituted the Visage ESOP in 2014, Visage SOP in 2014 and Visage ESOP in 2017, which were approved by the Board of Directors and the shareholders of the Company. The share option outstanding reserve is used to recognise the grant date fair value of option issued under aforesaid plans.
Refer Note 38 for further details on employee stock options.

Fair Value of Financial Liabilities [Obligation to buy back own equity instruments]

This represents the reduction in other equity due to the re-classification of equity to debt. Accordingly, the loss on fair valuation of Financial Liabilities[Obligation to buy back own equity instruments].During the financial year ended 31 March 2019, the Company re-classified the instrument as Equity, when it ceased to include any contractual obligation on the Company to deliver cash or another financial asset or to exchange financial assets or financial liabilities under potentially unfavourable conditions. The Company has classified such instruments as Equity as at 31 March 2019, wherein the equity instrument is measured at the carrying amount of the aforesaid financial liability at the date of reclassification. There is no pre-tax profit or loss impact arising from the reclassification.

Retained Earnings

Retained earnings or accumulated surplus represents total of all profits retained since Company's inception. Retained earnings are credited with current year profits, reduced by losses, if any, transfers to General reserve or any such other appropriations to specific reserves.

Debt instruments (Loans) through Other Comprehensive Income

This comprises changes in the fair value of debt instruments recognised in other comprehensive income and accumulated within equity. The group transfers amounts from such component of equity to retained earnings when the relevant debt instruments are derecognised.

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(All amounts are in INR lacs except share data and unless otherwise stated)

24 Interest Income	Year ended 31 March 2020 On Financial Assets measured at fair value through OCI	Year ended 31 March 2020 On Financial Assets measured at Amortised Cost	Year ended 31 March 2019 On Financial Assets measured at fair value through OCI	Year ended 31 March 2019 On Financial Assets measured at Amortised Cost
Interest on Loans				
Interest income on loan	20,403.32	-	13,417.17	-
Interest on deposits with banks	-	1,017.59	-	427.91
Other interest income *	-	24.36	-	5.99
	20,403.32	**1,041.95**	**13,417.17**	**433.90**
Total		**21,445.27**		**13,851.07**

* Other interest income relates to interest income on other deposits and staff loans

25 Fees and Commission Income	Year ended 31 March 2020	Year ended 31 March 2019
Service charges on co-lending arrangement	206.24	178.48
Cheque bounce charges	203.71	116.40
Penalty and preclosure charges	330.47	230.59
Securitisation collection fee	11.90	12.00
Total	**752.32**	**537.47**

26 Net gain/(loss) on fair value changes*	Year ended 31 March 2020	Year ended 31 March 2019
(A) Net gain/(loss) on financial instruments at fair value through profit or loss		
- On Financial guarantee contracts	(25.38)	(37.07)
- On Mutual Funds	-	28.02
Total Net gain/(loss) on fair value changes (A)	**(25.38)**	**(9.05)**
(B) Fair Value changes:		
Realised	-	28.02
Unrealised	(25.38)	(37.07)
Total Net gain/(loss) on fair value changes (B)	**(25.38)**	**(9.05)**

27 Net gain on derecognition of financial instruments	Year ended 31 March 2020	Year ended 31 March 2019
Income from derecognition on account of direct assignment transactions	198.05	-
Total	**198.05**	**-**

28 Other Income	Year ended 31 March 2020	Year ended 31 March 2019
Bad debt recovery	50.13	39.00
Profit on sale of Property plant and equipment	-	0.33
Total	**50.13**	**39.33**

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Notes to financial statements for the year ended 31 March 2020 (Continued)
(All amounts are in INR lacs except share data and unless otherwise stated)

29 Finance cost	Year ended 31 March 2020 On Financial liabilities measured at Amortised Cost	Year ended 31 March 2019 On Financial liabilities measured at Amortised Cost
Interest Expense on Borrowings:		
Interest on borrowing*	5,179.13	4,235.95
Interest on debt securities	3,645.94	1,813.99
Interest on subordinated liablities	781.64	295.87
Other borrowing costs	29.77	18.07
	9,636.48	6,363.88

* Includes interest expense on lease liabilties of INR 64.84 lacs (31 March 2019: INR 9.12 lacs)

30 Impairment on financial instruments	Year ended 31 March 2020		Year ended 31 March 2019	
	On Financial instruments measured at fair value through OCI	On Financial instruments measured at Amortised Cost	On Financial instruments measured at fair value through OCI	On Financial instruments measured at Amortised Cost
Loans [Refer note 43 (ii)]	(965.23)	-	2,827.63	-
Bad Debts Written Off	2,571.49	-	808.15	-
	1,606.26	-	3,635.78	-
Total		1,606.26		3,635.78

31 Employee benefits expenses *	Year ended 31 March 2020	Year ended 31 March 2019
Salaries and Wages	4,904.28	3,237.66
Contributions to Provident and Other Funds	282.49	196.70
Share based payment	133.35	44.96
Staff Welfare Expenses	174.70	131.98
Total	5,494.82	3,611.30

* Refer Note 39 for related party transactions
Refer Note 35 for amounts included in Provident and Other Funds

32 Depreciation, amortisation and impairment		
Depreciation of Property Plant and Equipment	279.08	159.51
Depreciation of Intangible Assets	55.05	36.50
Depreciation of Right-to-use Assets [Refer note 36]	153.42	55.45
Total	487.55	251.46

33 Others expenses #		
Rent	257.91	211.78
Electricity and water Charges	39.72	23.38
Office expense	59.05	46.20
Communication expense	170.26	134.48
Subsrciption and renewal fees	336.16	289.90
Printing and Stationery	98.36	75.04
Rates and Taxes	21.32	12.07
Legal and Professional Charges*	750.43	237.13
Travel and Conveyance	691.42	495.94
Recruitment expenses	69.19	37.64
Directors' Sitting Fee	19.67	9.32
Loss on sale of Property plant and equipment	29.17	-
Other expenses	36.45	26.69
Total	2,579.11	1,599.57

\# Refer Note 39 for related party transactions

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33 Others expenses (Continued)

	Year ended 31 March 2020	Year ended 31 March 2019
*** Payments to auditors (exclusive of applicable taxes)**		
Statutory audit	22.00	10.00
Tax audit	2.00	2.00
Limited review and certification	11.50	2.00
Out-of-pocket expenses	2.42	1.59
Total	**37.92**	**15.59**

Details of corporate social responsibility expenditure

The Board of Directors in its meeting held on 7th May, 2019, approved the constitution of the CSR Committee.The CSR Committee confirms the implementation and monitoring of CSR policy is in compliance with CSR objectives and policy of the Company.The CSR activities of the Company shall include, but not limited to any or all of the sectors/activities as may be prescribed by Schedule VII of the Companies Act, 2013 amended from time to time. Further, the Company will review the sectors/activities from time to time and make additions/ deletions/ clarifications to the above sectors/activities.The Company was required to spend an amount of INR 13.32 lacs (31 March 2019 : Nil) towards CSR activities. However the Company has not spent any amount towards such activities in the current year.

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Notes to financial statements for the year ended 31 March 2020 (Continued)
(All amounts are in INR lacs except share data and unless otherwise stated)

34 Maturity analysis of assets and liabilities

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

	As at 31 March 2020			As at 31 March 2019			As at 1 April 2018		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS									
Financial assets									
Cash and cash equivalents	10,926.37	-	10,926.37	22,295.04	-	22,295.04	4,648.14	-	4,648.14
Bank balance other than cash and cash equivalents	465.37	1,102.09	1,567.46	475.29	682.67	1,157.96	68.92	550.20	619.12
Loans	37,531.11	43,671.11	81,202.22	26,964.09	35,163.48	62,127.57	15,986.17	22,105.72	38,091.89
Other financial assets	562.27	661.68	1,223.95	393.93	253.57	647.50	160.35	92.30	252.65
Total financial assets	49,485.12	45,434.88	94,920.00	50,128.35	36,099.72	86,228.07	20,863.58	22,748.22	43,611.80
Non-financial assets									
Current tax assets (net)	-	495.40	495.40	-	26.37	26.37	-		-
Deferred tax assets (net)	-	882.08	882.08	-	1,290.63	1,290.63	-	495.38	495.38
Property, plant and equipment	-	838.92	838.92	-	270.14	270.14	-	213.39	213.39
Capital work-in-progress	-	17.72	17.72	-	102.23	102.23	-	-	-
Intangible assets under development	-	9.27	9.27	-	-	-	-	-	-
Other intangible assets	-	140.27	140.27	-	85.11	85.11	-	48.61	48.61
Right to use asset	-	526.27	526.27	-	68.24	68.24	-	57.64	57.64
Other non-financial assets	1,779.20	83.55	1,862.75	595.03	101.55	696.58	189.97	39.65	229.62
Total non-financial assets	1,779.20	2,993.48	4,772.68	595.03	1,944.27	2,539.30	189.97	854.67	1,044.64
Total assets	51,264.32	48,428.36	99,692.68	50,723.38	38,043.99	88,767.37	21,053.55	23,602.89	44,656.44
LIABILITIES									
Financial liabilities									
Trade payables									
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	127.76	-	127.76	78.77	-	78.77	13.83	-	13.83
Debt securities	13,453.22	12,332.76	25,785.98	3,828.35	22,656.76	26,485.11	132.51	19,165.15	19,297.66
Borrowings (other than debt securities)*	27,879.26	15,216.44	43,095.70	18,752.40	18,491.60	37,244.00	11,192.00	14,692.28	25,884.28
Subordinated liabilities	2.24	4,813.74	4,815.98	5.76	4,812.17	4,817.93	0.57	1,197.50	1,198.07
Lease Liabilities	131.51	423.43	554.94	37.02	35.10	72.12	45.27	16.55	61.82
Other financial liabilities	1,334.86	3,400.18	4,735.04	776.43	2,440.26	3,216.69	368.48	1,469.90	1,838.38
Total financial liabilities	42,928.85	36,186.55	79,115.40	23,478.73	48,435.89	71,914.62	11,752.66	36,541.38	48,294.04
Non-financial liabilities									
Current tax liabilities (net)	9.34	-	9.34	18.62	-	18.62	32.06	-	32.06
Provisions	27.13	132.61	159.74	17.98	99.11	117.09	10.93	53.08	64.01
Other non-financial liabilities	332.63	-	332.63	252.34	-	252.34	138.66	-	138.66
Total non-financial liabilities	369.10	132.61	501.71	288.94	99.11	388.05	181.65	53.08	234.73
EQUITY									
Equity share capital	-	635.32	635.32	-	603.85	603.85	-	442.65	442.65
Other equity	-	19,440.25	19,440.25	-	15,860.85	15,860.85	-	(4,314.98)	(4,314.98)
Total equity	-	20,075.57	20,075.57	-	16,464.70	16,464.70	-	(3,872.33)	(3,872.33)
Total liabilities and equity	43,297.95	56,394.73	99,692.68	23,767.67	64,999.70	88,767.37	11,934.31	32,722.13	44,656.44

* Refer Note 16

(All amounts are in INR lacs except share data and unless otherwise stated)

35 Employee benefits

The Company operates the following post-employment plans -

i. Defined contribution plan

The fixed contribution made to various statutory funds is recognized as expenses and included in Note 30 'Employee benefits expense' under 'Contribution to provident and other funds' in Statement of Profit and Loss. There is no legal or constructive obligation to pay further contribution.The detail is as follows :

	Year ended 31 March 2020	Year ended 31 March 2019
Employer's Contribution to Provident Fund (includes pension fund)	247.00	158.81
Employer's Contribution to Emplyee State Insurance Corporation	35.12	37.62
Labour welfare fund	0.37	0.27
	282.49	196.70

ii. Defined benefit plan

Gratuity

The Company operates post-employment defined benefit plan that provides gratuity, governed by the Payment of Gratuity Act, 1972. It entitles an employee, who has rendered at least five years of continuous service, to gratuity at the rate of fifteen days wages for every completed year of service or part thereof in excess of six months, based on the rate of wages last drawn by the employee concerned. The gratuity plan is a unfunded plan. These defined benefit plan expose the Company to actuarial risks, such as longevity risk and interest rate risk.

The most recent actuarial valuation of the present value of the defined benefit obligation for gratuity were carried out as at 31 March 2020. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Net defined benefit asset/(liability)	(120.60)	(77.27)	(35.68)

A. Reconciliation of the net defined benefit (asset) / liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

Particulars	As at 31 March 2020		As at 31 March 2019	
	Defined benefit obligation	Net defined benefit (asset)/ liability	Defined benefit obligation	Net defined benefit asset/ (liability)
Balance at the beginning of the year	(77.27)	(77.27)	(35.68)	(35.68)
Included in profit or loss				
Current service cost	(38.94)	(38.94)	(34.16)	(34.16)
Interest cost	(5.08)	(5.08)	(2.68)	(2.68)
	(44.02)	**(44.02)**	**(36.84)**	**(36.84)**
Included in other comprehensive income				
Remeasurements (loss) / gain				
– Actuarial (loss)/gain arising from:				
-demographic assumption	17.12	17.12	(1.26)	(1.26)
- financial assumptions	7.11	7.11	(3.03)	(3.03)
- experience adjustment	(23.54)	(23.54)	(0.46)	(0.46)
– on plan assets		-		-
	0.69	**0.69**	**(4.75)**	**(4.75)**
Other				
Contributions paid by the employer	-	-	-	-
Benefits paid	-	-		-
	-	-	-	-
Balance at the end of the year	(120.60)	(120.60)	(77.27)	(77.27)

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35 Employee benefits (Continued)

B. Actuarial assumptions

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Discount rate	6.56%	7.52%	7.22%
Future salary growth	6.00%	8.8% For 5 Years & 7% there after	7.00%
Attrition rate (%)	35%	25%	22%
Mortality	Indian Assured Lives Mortality (2012-14) Ult.	Indian Assured Lives Mortality (2006-08) Ult.	Indian Assured Lives Mortality (2006-08) Ult.
Withdrawal rate	From age 35 - 26.25% From age 40 - 17.5% From age 45 - 8.75% From age 50 - 2%	From age 35 - 18.75% From age 40 - 13% From age 45 - 7% From age 50 - 2%	22%
Retirement age	58	58	58

(i) The discount rate is based on the prevailing market yield on Government Securities as at the balance sheet date for the estimated term of obligations.
(ii) The estimate of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

C. Sensitivity analysis of significant assumptions

	As at 31 March 2020		As at 31 March 2019	
	Increase	**Decrease**	**Increase**	**Decrease**
Discount rate (1% movement)	7.46	6.70	6.41	5.63
Future salary growth (1% movement)	6.32	5.87	5.55	5.00
Attrition rate (1% movement)	2.00	1.97	1.70	1.66
Mortality rate (10% up movement)	0.03	-	0.02	-

A description of methods used for sensitivity analysis and its limitations:
Sensitivity analysis is performed by varying a single parameter while keeping all the other parameters unchanged.
Sensitivity analysis fails to focus on the interrelationship between underlying parameters. Hence, the results may vary if two or more variables are changed simultaneously.
The method used does not indicate anything about the likelihood of change in any parameter and the extent of the change if any.

D. Expected maturity analysis of the defined benefit plans in future years	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
1 year	13.23	3.61	2.68
Between 2-5 years	23.97	9.50	6.96
Between 6-10 years	28.68	6.66	3.92
Over 10 years	124.65	139.58	42.78

As at 31 March 2020, the weighted-average duration of the defined benefit obligation was 6.85 years (31 March 2019: 9.73 years and 1 April 2018: 7.38 years).

G. Description of risk exposures
Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as follow -
Actuarial Risk: It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:
Adverse salary growth experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in obligation at a rate that is higher than expected.
Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cashflow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.
Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption then the gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

Pay-as-you-go Risk: For unfunded schemes financial planning could be difficult as the benefits payable will directly affect the revenue and this could be widely fluctuating from year to year. Moreover there may be an opportunity cost of better investment returns affecting adversely the cost of the scheme.
Discount Rate risk: The Company is exposed to the risk of fall in discount rate. A fall in discount rate will eventually increase in the ultimate cost of providing the above benefit thereby increasing the value of the liability.

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5 **Employee benefits (Continued)**

Regulatory Risk: Gratuity Benefit must comply with the requirements of the Payment of Gratuity Act, 1972 (as amended up-to-date). There is a risk of change in the regulations requiring higher gratuity payments (e.g. raising the present ceiling of ₹ 20,00,000, raising accrual rate from 15/26 etc.)

iii. Other long-term benefits - Compensated Absences

The Company provides compensated absences benefits to the employees of the Company which can be carried forward to future years. Amount recognised in the Statement of profit and loss for compensated absences is as under-

	Year ended 31 March 2020	Year ended 31 March 2019
Expense recorded in Statement of profit and loss	18.36	43.60

	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Liability as at Balance sheet date	39.14	39.82	28.33

Assumptions used in determining the liability towards compensated absences	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Discount rate	6.56%	7.52%	7.22%
Salary escalation rate	6.00%	8.80%	7.00%
Attrition rate	35%	25%	22%
Withdrawal rate	From age 35 - 26.25% From age 40 - 17.5% From age 45 - 8.75% From age 50 - 2%	From age 35 - 18.75% From age 40 - 13% From age 45 - 7% From age 50 - 2%	22%

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36 Leases

For significant policies on lease transitions refer note 2.19

The Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on 01 April 2018 using the full retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application.

Further, on application of Ind AS 116, the nature of expense in the Statement of profit or loss has changed from lease rent in previous periods to depreciation cost for the ROU asset and finance cost for interest on lease liability..

Following disclosures are being made in accordance with the requirements of Ind AS 116 (Leases)

		31 March 2020	31 March 2019	1 April 2018
i)	Depreciation charge for right-to-use assets (presented under note - 32 "Depreciation, amortization and impairment")	153.42	55.45	-
ii)	Interest expense on lease liabilities (presented under note - 29 "Finance costs")	64.84	9.12	-
iii)	Expense relating to short-term leases (included in Rent expenses under note 33 " Other expenses")	257.91	211.78	-
iv)	Total cash outflow for leases (including short term leases)	432.83	276.15	-
v)	Additions to right-of-use assets during the year	592.90	65.55	-
vi)	Carrying amount of right-of-use assets at the end of the reporting period by class of - Property taken on lease for office premises	526.27	68.24	57.64
vii)	Lease liabilities	554.94	72.12	61.82

Maturity Analysis - Contractual Undiscounted Cash Flow as at (including non-cancellable leases)	**31 March 2020**	**31 March 2019**	**1 April 2018**
Less than 1 year	191.17	43.79	50.46
1 - 3 years	340.61	38.76	17.41
3 - 5 years	162.34	-	-
More than 5 years	-	-	-
Total undiscounted lease liabilities	694.12	82.55	67.87

Right to use asset	**Gross Carrying Amount**	**Accumulated Depreciation and amortisation**	**Net Carrying Amount**
Balance as on 1 April 2018	103.32	45.68	**57.64**
Addition	66.05	55.45	
Deletion	-		
Balance as on 31 March 2019	**169.37**	**101.13**	**68.24**
Addition	611.45	153.42	
Deletion	-	-	
Balance as on 31 March 2020	**780.82**	**254.55**	**526.27**

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37 Earning per share

The calculation of profit attributable to equity sahreholders and weighted average number of equity shares outstanding for purpose of basic earnings per share and diluted earnings per share calculation are as follows:

	Units	Year ended 31 March 2020	Year ended 31 March 2019
a) (i) Weighted average number of equity shares for basic EPS	Nos	6,293,022	4,439,785
(ii) Effect of potential ordinary equity shares on employee stock options	Nos	192,652	-
(iii) Effect of potential ordinary equity shares on compulsory convertible debenture	Nos	9,393	-
(iv) Weighted average number of equity shares for diluted EPS	Nos	6,495,067	4,439.785
b) Net profit after tax	₹ in Lacs	1,811.02	(774.33)
c) (i) Net profit for equity shareholders for basic EPS	₹ in Lacs	1,811.02	(774.33)
(ii) Net profit for equity shareholders for diluted EPS	₹ in Lacs	1,811.02	(774.33)
d) (i) Earnings per share (Face value of ₹ 10/- per share) – basic	₹	28.78	(17.44)
(ii) Earnings per share (Face value of ₹ 10/- per share) – diluted	₹	27.88	(17.44)

The reconciliation between basic and diluted earnings per share is as follows:

Basic Earnings per share	₹	28.78	(17.44)
Effect of dilution of employee stock option*	₹	(0.85)	-
Effect of dilution of compulsory convertible debenture*	₹	(0.04)	-
Diluted earnings per share	₹	27.88	(17.44)

*Employee stock options and Compulsory convertible debentures could potentially dilute basic earnings per share in future, however, was not included in the computation as they are antidilutive for the year ended 31 March 2019.

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38 Share-based payments

A Description of share-based payment arrangements

The company instituted the Visage Employee Stock Option Plan (VESOP 2017) in 2017 , Visage Employee Stock Option Plan (VESOP 2014) in 2014 and Visage Stock Option Plan (VSOP 2014) in 2014, which were approved by the Board of Directors and the shareholders of the Company.

Visage ESOP and SOP, 2014

The Company provided for the creation and issue of 80,700 options under ESOP 2014 and 1,85,200 options under SOP 2014 , that would eventually convert into equity shares of Rs. 10/- each in the hands of eligible persons. The options are to be granted to the eligible persons at the exercise price as per the latest valuation report prior to the date of grant of options. The options will vest in a graded manner as given in the schedule below. The options will get settled by issue of equity shares at the exercise price of Rs. 11.00 per option.

During the year, the Board has granted Nil options (31 March 2019 : Nil otions) under Visage ESOP, 2014 and 15,000 options (31 March 2019 : Nil otions) under Visage SOP, 2014 to the eligible persons of the

Visage ESOP, 2017

Under Visage ESOP 2017, the Company provided for the creation and issue of 1,20,000 options, that would eventually convert into equity shares of Rs. 10/- each in the hands of the Company's employees. The options are to be granted to the eligible employees at the exercise price as per the latest valuation report prior to the date of grant of options. The options will vest in a graded manner as given in the schedule below. 39,000 options will get settled by issue of equity shares at the exercise price of Rs. 415.56 per option and 81,000 options will get settled by issue of equity shares at the exercise price of Rs. 519.03 per option.

During the year, the Board has granted 81,000 options (31 March 2019 : 19,000 options) under Visage ESOP, 2017 to the eligible employees of the Company.

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38 Share-based payments (Continued)

B Measurement of Fair values

The following tables list the inputs to the Black Scholes model used for the plans till year ended 31 March 2020

ESOP 2017

Date of grant	Risk-free interest rate	Expected life of options	Fair value per option range	Fair Value of share on grant date	Exercise Price	Weighted average remaining contractual life	Volatility of expected returns	Expected dividend yield	Vesting Schedule
1 Feb 2018	7.30% -7.60%	5-8 years	194.36 - 249.30	415.56	415.56	6.22	40.00%	0.00%	FY 2020-21 - 25% FY 2021-22 - 25%
9 May 2018	7.70 % -7.80%	5-8 years	196.77 - 250.55	415.56	415.56	6.14	40.00%	0.00%	FY 2020-21 - 25% FY 2021-22 - 25% FY 2022-23 - 4%
1 April 2019	6.80% - 7.30%	5-8 years	238.14 - 307.40	519.03	519.03	6.22	40.00%	0.00%	FY 2020-21 - 50% FY 2021-22 - 25% FY 2022-23 - 25%
10 June 2019	6.90% - 7.10%	5-8 years	238.76 - 305.38	519.03	519.03	6.17	40.00%	0.00%	FY 2020-21 - 39% FY 2021-22 - 25% FY 2022-23 - 25% FY 2023-24 - 11%

ESOP and SOP 2014

Date of grant	Risk-free interest rate	Expected life of options	Fair value of option	Fair Value of share on grant date	Exercise Price	Weighted average remaining contractual life	Volatility of expected returns	Expected dividend yield	Vesting Schedule
28 April 2015	7.60% - 7.70%	5-8 years	50.47 - 52.08	57.92	11.00	6.23	40.00%	0.00%	All options vested
31 July 2019	6.30% - 6.60%	5-8 years	234.00 - 303.57	519.03	519.03	6.31	40.00%	0.00%	FY 2020-21 - 34% FY 2021-22 - 25% FY 2022-23 - 25% FY 2023-24 - 16%

The measure of volatility used in the Black-Scholes option pricing model is the annualized standard deviation of the continuously compounded rates of return on the stock over a period of time. Company is not listed on any stock exchange due to which there is no available history of the day-to-day movements in share prices of the Company. For the purpose of determining volatility, the Company has used a proxy for the volatility of the share price of the Company. The Company has determined the proxy by benchmarking it to the weighted average volatility of other listed entities that carry out similar kind of business as compared to the Company.

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38 Share-based payments (Continued)

C Reconciliation of outstanding share options

The number and weighted average exercise prices of share options under the share option plans were as follows:

ESOP 2017

Particulars	Year ended 31 March 2020		Year ended 31 March 2019	
	Number of share options	Wtd. Avg. price	Number of share options	Wtd. Avg. price
Outstanding options at the beginning of the year	39,000	415.56	20,000	415.56
Add: Granted during the year	81,000	519.03	19,000	415.56
Less: Exercised during the year	-	-	-	-
Less: Lapsed/forfeited during the year	-	-	-	-
Outstanding options at the end of the year	**120,000**	**485.40**	**39,000**	**415.56**
Average remaining contractual life for options outstanding at the end of the year		4.91 years		5.15 years
Options vested and exercisable at the end of the year	18,812		5,000	

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38 Share-based payments (Continued)

ESOP and SOP 2014

Particulars	Year ended 31 March 2020		Year ended 31 March 2019	
	Number of share options	Wtd. Avg. price	Number of share options	Wtd. Avg. price
Outstanding options at the beginning of the year	62,592	11.00	62,592	11.00
Add: Granted during the year	15,000	519.03	-	-
Less: Exercised during the year	-	-	-	-
Less: Lapsed/forfeited during the year	-	-	-	-
Outstanding options at the end of the year	**77,592**	**109.21**	**62,592**	**11.00**
Average remaining contractual life for options outstanding at the end of the year	2.21 years		2.39 years	
Options vested and exercisable at the end of the year	62,592		62,331	-

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38 Share-based payments (Continued)

D Equity shares reserved for issue under options

	No. of options granted	Exercise price (₹)	As at 31 March 2020		As at 31 March 2019		As at 1 April 2018	
			No. of options	Amount*	No. of options	Amount*	No. of options	Amount*
ESOP 2017:								
1 Feb 2018	20,000	415.56	20,000	2.00	20,000	2.00	20,000	2.00
9 May 2018	19,000	415.56	19,000	1.90	19,000	1.90	-	-
1 April 2019	48,500	519.03	48,500	4.85	-	-	-	-
10 June 2019	32,500	519.03	32,500	3.25	-	-	-	-
ESOP and SOP 2014:								
12 August 2014	58,392	11.00	58,392	5.84	58,392	5.84	58,392	5.84
28 April 2015	4,200	11.00	4,200	0.42	4,200	0.42	4,200	0.42
31 July 2019	15,000	519.03	15,000	1.50	-	-	-	-

*Face Value per share at Rs. 10/- each

E In respect of stock options granted under Employee Stock Option Plan 2014 , Stock Option Plan 2014 and Employee Stock Option Plan 2017, the accounting is done as per the requirements of Ind AS 102. Consequently, Rs. 133.35 lacs (31 March 2019: Rs. 44.96 lacs) and Rs. 14.35 lacs (31 March 2019: Nil) has been included under 'Employee Benefits Expense' and "Other Expense" based on respective grant date fair value.

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Notes to financial statements for the year ended 31 March 2020 (Continued)
(All amounts are in INR lacs except share data and unless otherwise stated)

39 Related parties

(i) Name of related parties and description of relationship:

	Nature of Relationship
A Entity having significant influence over the Company	**Nature of Relationship**
Gaja Capital Fund II Limited	Shareholder
B Key Managerial Personnel ('KMP') and their Relatives	**Nature of Relationship**
Hardika Shah	Chief Executive Officer and Director
Thirunavukkarasu Rajendran	Chief Operating Officer and Director
Aiswarya Ravi	Chief Financial Officer (w.e.f 09 May 2018)
Moumita Sen	Company Secretary
Khyati Shah	Relative of KMP
C Directors	**Nature of Relationship**
Bhavna Thakur	Independent Director
Sunil Satyapal Gulati	Independent Director
Ravindra Pisharody	Independent Director

(ii) Related party transactions during the year and balance receivable from and payable to related parties as at the balance sheet date:

Name of related party	Nature of transaction	Transaction value for the year ended 31 March 2020	Outstanding amount as at 31 March 2020	Transaction value for the year ended 31 March 2019	Outstanding amount as at 31 March 2019	Outstanding amount as at 1 April 2018
A) Entity having significant influence over the Company						
Gaja Capital Fund II Limited	Receipt of allotment money on issue of Equity shares (including premium)	-	-	3,082.05	-	-
B) Key Managerial Personnel and their Relatives						
1.Hardika Shah	Remuneration	72.00	(15.00)	56.00	(12.20)	(10.00)
	Reimbursement of expenses	22.01	-	11.35	-	-
	Purchase of Plant, Property and Equipment	3.56	-	3.53	-	-
	Travel Advance	-	-	4.73	4.73	-
	Issue of compulsory convertible debentures	38.37	(46.87)	-	(8.50)	(8.50)
2.Thirunavukkarasu Rajendran						
	Remuneration (Including share based payments)	140.00	(13.00)	76.16	(10.40)	(9.00)
	Reimbursement of expenses	12.25	-	8.65	-	-
	Travel Advance	1.92	1.92	0.88	0.88	-
	Contribution to Provident Fund	1.42	-	1.42	-	-
3.Aiswarya Ravi						
	Remuneration (Including share based payments)	90.71	(9.00)	53.21	(6.40)	-
	Purchase of Plant, Property and Equipment	0.78	-			
	Reimbursement of expenses	2.23	-	1.76	(0.02)	-
	Travel Advance	0.47	0.47	-	-	-
	Contribution to Provident Fund	1.41	-	1.40	-	-
4.Moumita Sen	Remuneration and Incentive	11.69	(0.99)	9.08	(0.99)	(0.17)
	Contribution to Provident Fund	0.22	-	0.22	-	-
5.Khyati Shah	Professional Fees	41.52	(3.10)	-	-	-
B) Independent Directors						
Bhavna Thakur	Sitting fees	5.50	-	3.80	-	-
Sunil Satyapal Gulati	Sitting fees	7.30	-	3.05	-	-
Ravindra Pisharody	Sitting fees	5.25	(0.95)	1.70	-	-

(iii) Compensation of key managerial personnel

	Year ended 31 March 2020	Year ended 31 March 2019
Short-term employee benefits	205.68	154.08
Post-employment defined benefit*	3.04	3.04
Share based payments	108.72	40.37
	317.44	197.49

*Excludes provision for encashable leave and gratuity for certain key management personnels as a separate actuarial valuation is not available.

Terms and conditions

All transactions with these related parties are priced on an arm's length basis.

Related parties identified includes related parties as per section 2(76) of the Companies Act, 2013.

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40 Contingent liabilities and commitments

1) Contingent liabilities and commitments (to the extent not provided for)

a) Contingent liabilities	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Claims against the Company not acknowledged as debt (*)	-	-	10.00
Co-lending first loss default guarantee	-	97.51	231.38

(i) Contingent Liabilities disclosed above represent possible obligations where possibility of cash outflow to settle obligations is not remote.

(ii) *The Company's pending litigations comprise of claims against the Company by the customers. The Company is also involved in other law suits, claims, investigations and proceedings, including collection and repossession related matters, which arise in the ordinary course of business. However, there are no significant claims on such cases. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities Rs. Nil (as at 31 March 2019: Rs. Nil ; as at 1 April 2018: Rs. 10 lacs). The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial performance and financial position.

(iii) The Company has a process whereby periodically all long-term contracts are assessed for material foreseeable losses. At the year end, the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

(iv) Regarding the amounts disclosed above, it is not practicable to disclose information on the possibility of any reimbursements as it is determinable only on the occurrence of uncertain future events.

b) Commitments [to the extent not provided for]	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances and capital work-in-progress)	42.46	368.00	19.92

c) On February 28, 2019, the Supreme Court of India held that allowances paid by establishments to its employees which meet the test of universality should be considered as 'basic wages' while computing provident fund amounts for employees whose basic wages is less than certain statutory thresholds. The Company has provided for the statutory liability towards employee provident fund after considering the impact of the above Supreme Court judgement w.e.f 1 March 2019, basis legal advice received in this matter.

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41 Transfers of financial assets

In the ordinary course of business, the Company enters into transactions that result in the transfer of financial assets. In accordance with the accounting policy set out in Note 2, the transferred financial assets continue to be recognised or derecognised as per the conditions specified in Ind AS 109 " Financial Instruments"

The Company transfers financial assets that are not derecognised in their entirety primarily through securitisation transactions, in which loans to customers are transferred to securitisation special purpose vehicles.

Transferred financial assets that are not derecognised in their entirety

Securitisation
Certain loans to customers are sold by the Company to securitisation special purpose vehicles. In securitisation transactions entered, the Company transfers loans to an unconsolidated securitisation vehicle, however it retains credit risk (principally by providing credit enhancement to the extent of cash collateral). The Company retains substantial risks and rewards of such loan transferred and accordingly, does not derecognise the loans transferred in its entirety and recognises an associated liability for the consideration received.

Excess interest spread receivable
Excess interest spread receivable represents the continuing involvement of Company in the future performance of the financial assets derecognized under the Direct assignment transactions. The present value of excess interest spread receivable on de-recognised assets [as part of Direct assignment transactions] has been computed by discounting net cash flows from such assigned pools and income from direct assignment transaction is recognised upfront in books of accounts. The right to receive cash flow (including resultant income) will arise as per the terms & condition and time periods mentioned in the direct assignment agreement.

The following table sets out the carrying amounts and fair values of all financial assets transferred that are not derecognised in their entirety and their associated liabilities.

	Financial assets at fair value through other comprehensive income	Financial assets at amortised cost	Financial assets at fair value through profit or loss
As at 31 March 2020			
Assets			
Securitisation transaction	7,234.35	-	-
Excess interest spread receivable	-	-	149.49
Carrying amount of assets	**7,234.35**	-	**149.49**
Associated liabilities			
Payables under securitisation arrangement	-	6,460.35	-
Carrying amount of associated liabilities	-	**6,460.35**	-
For those liabilities that have recourse only to the transferred financial assets			
Assets			
Securitisation transaction	7,234.35	-	-
Excess interest spread receivable	-	-	149.49
Fair value of assets	**7,234.35**	-	**149.49**
Associated liabilities			
Payables under securitisation arrangement	-	6,482.58	-
Fair value of associated liabilities	-	**6,482.58**	-

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41 Transfers of financial assets (Continued)

	Financial assets at fair value through other comprehensive income	Financial assets at amortised cost	Financial assets at fair value through profit or loss
As at 31 March 2019			
Assets			
Securitisation transaction	5,710.73	-	-
Carrying amount of assets	**5,710.73**	**-**	**-**
Associated liabilities			
Payables under securitisation arrangement	-	5,211.84	-
Carrying amount of associated liabilities	**-**	**5,211.84**	**-**
For those liabilities that have recourse only to the transferred financial assets			
Assets			
Securitisation transaction	5,710.73	-	-
Fair value of assets	**5,710.73**	**-**	**-**
Associated liabilities			
Payables under securitisation arrangement	-	5,234.63	-
Fair value of associated liabilities	**-**	**5,234.63**	**-**
As at 1 April 2018			
Assets			
Securitisation transaction	4,388.49	-	-
Carrying amount of assets	**4,388.49**	**-**	**-**
Associated liabilities			
Payables under securitisation arrangement	-	4,202.80	-
Carrying amount of associated liabilities	**-**	**4,202.80**	**-**
For those liabilities that have recourse only to the transferred financial assets			
Assets			
Securitisation transaction	4,388.49	-	
Fair value of assets	**4,388.49**	**-**	**-**
Associated liabilities			
Payables under securitisation arrangement	-	4,216.00	-
Fair value of associated liabilities	**-**	**4,216.00**	**-**

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42 Financial instruments - fair value and risk management

A. Financial instruments by category

The following table shows the carrying amounts of financial assets and financial liabilities.

Particluars	Others	FVTPL	FVTOCI	Amortised cost
			As at 31 March 2020	
Financial assets:				
Cash and cash equivalents	-	-	-	10,926.37
Bank balance other than cash and cash equivalents	-	-	-	1,567.46
Loans	-	-	81,162.13	40.09
Other financial assets	-	418.26	-	805.69
	-	418.26	81,162.13	13,339.61
Financial liabilities:				
Trade payables	-	-	-	127.76
Debt securities	-	-	-	25,785.98
Borrowings (other than debt securities)	-	-	-	43,095.70
Subordinated liabilities	-	-	-	4,815.98
Lease Liabilities	-	-	-	554.94
Other financial liabilities	-	108.29	-	4,626.75
	-	108.29	-	79,007.11

Particluars	Others	FVTPL	FVTOCI	Amortised cost
			As at 31 March 2019	
Financial assets:				
Cash and cash equivalents	-	-	-	22,295.04
Bank balance other than cash and cash equivalents	-	-	-	1,157.96
Loans	-	-	62,099.95	27.62
Other financial assets	-	177.41	-	470.09
	-	177.41	62,099.95	23,950.71
Financial liabilities:				
Trade payables	-	-	-	78.77
Debt securities	-	-	-	26,485.11
Borrowings (other than debt securities)	-	-	-	37,244.00
Subordinated liabilities	-	-	-	4,817.93
Lease Liabilities	-	-	-	72.12
Other financial liabilities	-	82.92	-	3,133.77
	-	82.92	-	71,831.70

Particluars	Others	FVTPL	FVTOCI	Amortised cost
			As at 1 April 2018	
Financial assets:				
Cash and cash equivalents	-	-	-	4,648.14
Bank balance other than cash and cash equivalents	-	-	-	619.12
Loans	-	-	38,080.46	11.43
Other financial assets	-	97.07	-	155.58
	-	97.07	38,080.46	5,434.27
Financial liabilities:				
Trade payables	-	-	-	13.83
Debt securities	-	-	-	19,297.66
Borrowings (other than debt securities)	-	-	-	25,884.28
Subordinated liabilities	-	-	-	1,198.07
Lease Liabilities	-	-	-	61.82
Other financial liabilities	-	45.85	-	1,792.53
	-	45.85	-	48,248.19

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42 Financial instruments - fair value and risk management (Continued)

B. Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are:
(a) recognised and measured at fair value and
(b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - recurring fair value measurements

As at 31 March 2020	Level 1	Level 2	Level 3	Total
Financial assets:				
Loans	-	-	81,162.13	81,162.13
Other financial assets	-	-	418.26	418.26
	-	-	81,580.39	81,580.39
Financial liabilities:				
Other financial liabilities			108.29	108.29
	-	-	108.29	108.29

Assets and liabilities which are measured at amortised cost for which fair values are disclosed

The fair value of loans given is based on observable market transactions, to the extent available. Wherever the observable market transactions are not available, fair value is estimated using valuation models, such as discounted cash flow techniques. Input into the valuation techniques includes interest rates, prepayment rates, primary origination or secondary market spreads. Input into the models may include information obtained from other market participants, which includes observed primary and secondary transactions.

As at 31 March 2020	Amortised cost	Fair Value	Level 1	Level 2	Level 3	Total
Financial assets:						
Bank balance other than cash and cash equivalents	1,567.46	1,535.43	-	1,535.43	-	1,535.43
Loans	40.09	40.09	-	40.09	-	40.09
Other financial assets	805.69	814.89	-	814.89	-	814.89
	2,413.24	2,390.41	-	2,390.41	-	2,390.41
Financial liabilities:						
Debt securities	25,785.98	26,359.23	-	26,359.23	-	26,359.23
Borrowings (other than debt securities)	43,095.70	42,904.11	-	42,904.11	-	42,904.11
Subordinated liabilities	4,815.98	4,756.92	-	4,756.92	-	4,756.92
Lease Liabilities	554.94	554.94	-	554.94	-	554.94
Other financial liabilities	4,626.75	4,178.80	-	555.61	3,623.19	4,178.80
	78,879.35	78,754.00	-	75,130.81	3,623.19	78,754.00

Financial assets and liabilities measured at fair value - recurring fair value measurements

As at 31 March 2019	Level 1	Level 2	Level 3	Total
Financial assets:				
Loans	-	-	62,099.95	62,099.95
Other financial assets	-	-	177.41	177.41
	-	-	62,277.36	62,277.36
Financial liabilities:				
Other financial liabilities			82.92	82.92
	-	-	82.92	82.92

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42 Financial instruments - fair value and risk management (Continued)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed

As at 31 March 2019	Amortised cost	Fair value	Level 1	Level 2	Level 3	Total
Financial assets:						
Bank balance other than cash and cash equivalents	1,157.96	1,158.69	-	1,158.69	-	1,158.69
Loans	27.62	27.62	-	27.62	-	27.62
Other financial assets	470.09	470.09	-	470.09	-	470.09
	1,655.67	1,656.40	-	1,656.40	-	1,656.40
Financial liabilities:						
Debt securities	26,485.11	26,944.51	-	26,944.51	-	26,944.51
Borrowings (other than debt securities)	37,244.00	37,254.98	-	37,254.98	-	37,254.98
Subordinated liabilities	4,817.93	4,763.90	-	4,763.90	-	4,763.90
Lease Liabilities	72.12	72.12	-	72.12	-	72.12
Other financial liabilities	3,133.77	2,871.03	-	323.48	2,547.55	2,871.03
	71,752.93	71,906.54	-	69,358.99	2,547.55	71,906.54

Financial assets and liabilities measured at fair value - recurring fair value measurements

As at 1 April 2018	Level 1	Level 2	Level 3	Total
Financial assets:				
Loans	-	-	38,080.46	38,080.46
Other financial assets	-	-	97.07	97.07
	-	-	38,177.53	38,177.53
Financial liabilities:				
Other financial liabilities	-	-	45.85	45.85
	-	-	45.85	45.85

Assets and liabilities which are measured at amortised cost for which fair values are disclosed

As at 1 April 2018	Amortised cost	Fair value	Level 1	Level 2	Level 3	Total
Financial assets:						
Bank balance other than cash and cash equivalents	619.12	622.05	-	622.05	-	622.05
Loans	11.43	11.43	-	11.43	-	11.43
Other financial assets	155.58	158.07	-	158.07	-	158.07
	786.13	791.55	-	791.55	-	791.55
Financial liabilities:						
Debt securities	19,297.66	19,387.17	-	19,387.17	-	19,387.17
Borrowings (other than debt securities)	25,884.28	25,820.04	-	25,820.04	-	25,820.04
Subordinated liabilities	1,198.07	1,196.77	-	1,196.77	-	1,196.77
Lease Liabilities	61.82	61.82	-	61.82	-	61.82
Other financial liabilities	1,792.53	1,671.78	-	164.43	1,507.35	1,671.78
	48,234.36	48,137.58	-	46,630.23	1,507.35	48,137.58

Financial instruments valued at carrying value

The respective carrying values of certain on-balance sheet financial instruments approximate their fair value. These financial instruments include cash in hand, balances with other banks, trade payables and certain other financial assets and liabilities, with maturities less than a year from the balance sheet date. Carrying values were assumed to approximate fair values for these financial instruments as they are short-term in nature and their recorded amounts approximate fair values or are receivable or payable on demand. Such amounts have been classified as Level 2 on the basis that no adjustments have been made to the balances in the balance sheet.

C. Valuation framework

The Company measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.
The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 : The fair value of financial instruments that are not traded in active markets is determined using valuation techniques which maximize the use of observable market data either directly or indirectly, such as quoted prices for similar assets and liabilities in active markets, for substantially the full term of the financial instrument but do not qualify as Level 1 inputs. If all significant inputs required to fair value an instrument are observable the instrument is included in level 2.

Level 3 : If one or more of the significant inputs is not based in observable market data, the instruments is included in level 3. That is, Level 3 inputs incorporate market participants' assumptions about risk and the risk premium required by market participants in order to bear that risk. The Company develops Level 3 inputs based on the best information available in the circumstances.

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(All amounts are in INR lacs except share data and unless otherwise stated)

42 Financial instruments - fair value and risk management (Continued)

Financial instruments measured at fair value and fair value of financial instruments carried at amortised cost

Type	Valuation technique	Significant unobservable input	Inter-relationship between significant unobservable inputs and fair value and sensitivity
Financial assets and liabilities measured at amortised cost	Discounted cash flows: The valuation model considers the present value of expected receipt/payment discounted using appropriate discounting rates. For issued debt, the interest rate is derived from market observable date such as secondary prices for its traded debt itself.	Not applicable	Not applicable
Financial assets measured at FVOCI	Fair value of loans are calculated using portfolio based approach grouping loans as far as possible into homogeneous groups or similar characteristics. The fair value is then extrapolated to the portfolio using discounted cash flow method that incorporates interest rate estimate considering all significant characteristics of loan. This fair value is then reduced by impairment loss allowance.	The discount rate is the average lending rate at which the loans are disbursed.	There is an inverse correlation. Higher the discount rate i.e average lending rate for the disbursed loans, lower the fair value of the assets.
Financial assets and liabilties measured at FVTPL	Discounted cash flows: The valuation model considers the present value of expected receipt/payment discounted using appropriate discounting rates.	The discount rate is the average lending rate at which the loans are disbursed.	There is an inverse correlation. Higher the discount rate i.e average lending rate for the disbursed loans, lower the fair value of the assets.

D. Movement in Level 3 financial instruments measured at fair value

Particulars	As at 1 April 2019	Purchase / origination	Sales / run-off	Interest income	Other Comprehensive Income	As at 31 March 2020
Financial instruments at FVOCI	65,840.09	52,100.97	54,454.17	20,403.32	46.83	83,937.04

Particulars	As at 1 April 2018	Purchase / origination	Sales / run-off	Interest income	Other Comprehensive Income	As at 31 March 2019
Financial instruments at FVOCI	38,992.97	44,576.88	31,106.46	13,417.17	(40.47)	65,840.09

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43 Financial risk management

The Company assumes credit risk, market risk, compliance risk, operational risk and reputational risk in the normal course of it business. This exposes the company to a substantial level of inherent financial risk.

i Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

Efficient and timely management of risks involved in the Company's activities is critical for the financial soundness and profitability of the Company. Risk management involves the identifying, measuring, monitoring and managing of risks on a regular basis. The objective of risk management is to increase shareholders' value and achieve a return on equity that is commensurate with the risks assumed. To achieve this objective, the Company employs leading risk management practices and recruits skilled and experienced people.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

ii Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's asset on finance;

The carrying amounts of financial assets represent the maximum credit risk exposure.

a) Credit risk management

Credit risk is the risk that the Company will incur a loss because its customers fail to discharge their contractual obligations. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred such as a breach of contract or when a borrower becomes 3 months overdue in its contractual payments

The Company has established a credit policy under which each new customer is analysed individually for credit worthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes background KYC verification, historical financial information of the borrower's business, industry information, etc (as applicable).

The Company measures the amount of Expected credit loss ['ECL'] on a financial instrument in a way that reflects an unbiased and probability-weighted amount. The Company considers its historical loss experience and adjusts the same for current observable data. The key inputs into the measurement of ECL are the probability of default, loss given default and exposure at default. These parameters are derived from the Company's internally developed statistical models and other historical data. In addition, the Company uses reasonable and supportable information on future economic conditions including macroeconomic factors. Since incorporating these forward-looking information increases the judgment as to how the changes in these macroeconomic factors will affect ECL, the methodology and assumptions are reviewed regularly.

b) Probability of default (PD)

Days past due (DPD) analysis is the primary input into the determination of the PD for exposures. The Company collects performance and default information about its credit risk exposures analysed by type of borrower as well as by DPD. The Company employs statistical models to analyse the data collected and generate estimates of the remaining lifetime PD of exposures and how these are expected to change as a result of the passage of time. Such statistical models are selected considering the availability of information related to the probability of default.

The Company has calculated Through-The-Cycle [TTC] PDs using a Net Flow Rate matrix. Historical TTC-PD is converted into forward looking Point-in-Time [PIT] PD using Merton-Vasicek model which also incorporates the forward-looking economic outlook. Life-time PDs are calculated based on the forecasted PIT PDs and the survival rate analysis. Cumulative PDs as on the maturity date of the financial asset has been used as the lifetime PD. Considering that Company primarily lends to borrowers operating in Micro, Small and Medium Enterprises ['MSME'] segment, Real GDP (% change p.a.) is used as a macroeconomic variable. The macroeconomic variables considered by the Company are robust reflections of the state of economy which result into systematic risk for the segment to which majority of the Company's borrowers belong.

Additionally, three different scenarios have been considered for ECL calculation. Along with the actual numbers (considered for Base case scenario), other scenarios take care of the worsening as well as improving forward looking economic outlook. The probability of default was calculated for 3 scenarios: upside (10.58%), downside (21.15%) and base (68.27%). These weights have been decided on best practices and the professional judgment of the Management's expert.

A maximum of a 12-month PD or actual contractual tenure is considered for financial assets for which credit risk has not significantly increased. The Company measures ECL for stage 2 and stage 3 assets considering the risk of default over the maximum contractual period over which it is exposed to credit risk.

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43 Financial risk management (Continued)

c) Staging of financial assets

In assessing the impairment of financial loans under Expected Credit Loss (ECL) Model, the assets have been segmented into three stages. The three stages reflect the general pattern of credit deterioration of a financial instrument. The differences in accounting between stages, relate to the recognition of expected credit losses and the measurement of interest income.

The Company categorises loan assets into stages primarily based on the Months Past Due status.

Stage 1 Loan assets [0-1 month days past due]	Financial assets which are contractually up to 1 month overdue are considered under Stage 1 for applying 12 months ECL
Stage 2 loan assets [>1 month-3 months days past due]	Financial assets which are contractually more than 1-month overdue are classified under Stage 2 for applying lifetime ECL and not credit impaired, barring those where there is empirical evidence to the contrary
Stage 3 Loan assets[> than 3 months days past due]	The Company considers defaulted assets as those which are contractually 3 months overdue, other than those assets where there is empirical evidence to the contrary.

An asset migrates down the ECL stage based on the change in the risk of a default occurring since initial recognition. If in a subsequent period, credit quality improves and reverses any previously assessed significant increase in credit risk since origination, then the loan loss provision stage reverses to 12-months ECL from lifetime ECL.

d) Exposure at default (EAD)

EAD represents the expected exposure in the event of a default. The Company derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract, including amortisation. EAD represents the gross carrying amount of the financial instruments subject to the impairment calculation. To calculate the ECL for a Stage 1 loan, the Company assesses the possible default events within 12 months for the calculation of the 12 months ECL. For Stage 2 and Stage 3 financial assets, the exposure at default is considered for events over the lifetime of the instruments.

e) Loss given default (LGD)

Loss given default (LGD) represents estimated financial loss the company is likely to suffer in respect of default accounts and it is used to calculate provision requirement on Exposure at default ['EAD'] along with PD. The Company has used LGD rates prescribed by Basel IRB norms [65%], suitably adjusted for the following:

- fair value of underlying collateral [depreciated at 20% per annum, along with and an additional hair-cut of 50% to the depreciated value] [as prescribed by Basel IRB norms];
- the credit guarantee offered by Small Industries Development Bank of India ['SIDBI'] vide Credit Guarantee Fund Trust for Micro and Small Enterprises ['CGTMSE'][as prescribed by Basel IRB norms];

The Company has applied a floor rate of minimum 15% while estimating LGD

f) Significant increase in credit risk

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. The Company's accounting policy is not to use the practical expedient that the financial assets with 'low' credit risk at the reporting date are deemed not to have had a significant increase in credit risk. As a result, the Company monitors all financial assets that are subject to impairment for significant increase in credit risk. This includes both quantitative and qualitative information and analysis based on the Company's historical experience, expert credit assessment and includes forward looking information. The monitoring typically involves

- Overdue status [Days past due]- if contractual payments are more than 1 month overdue, the credit risk is deemed to have increased significantly since initial recognition.
- A Stage 3 customer having other loans which are in Stage 1 or 2.
- Restructuring and rescheduling of loans
- Fraudulent customer

g) Measurement of ECL

The company recognises the expected credit losses (ECL) on a collective basis that considers the aforesaid comprehensive credit risk information. Considering the economic and risk characteristics, the company calculates ECL on a collective basis for all stages - Stage 1, Stage 2 and Stage 3 assets:

-For Stage 1, gross exposure is multiplied by PD and LGD percentage to arrive at the ECL.

-For Stage 2, future Expected Cash flows (Principal and Interest) for respective future years is multiplied by respective years' Marginal PDs and LGD percentage and thus the ECL so arrived is then discounted with the respective loan EIR to calculate the present value of ECL.

-Financial assets that are credit impaired at the reporting date: the difference between the gross exposure at reporting date and computed carrying amount, considering EAD net of LGD and actual cash flows till reporting date;

h) RBI COVID-19 Regulatory Package

In accordance with the board approved moratorium policy read with the Reserve Bank of India(RBI) guidelines dated March 27, 2020 and April 17, 2020 relating to 'COVID-19-Regulatory Package', the Company has granted moratorium unto three months on the payment of instalments falling due between March 1,2020 and May 31, 2020 to all eligible borrowers. In respect of accounts overdue but standard at 29 February 2020 where moratorium benefit has been granted, the staging of those accounts at 31 March 2020 is based on the days past due status as on 29 February 2020. Based on an assessment by the Company, this relaxation has not been deemed to be automatically triggering significant increase in credit risk. The Company continues to recognize interest in come during the moratorium period and in the absence of other credit risk indicators, the granting of a moratorium period does not result in accounts becoming past due and automatically triggering Stage 2 or Stage 3 classification criteria.

i) Impact of Covid-19

The impact of COVID-19 on the global economy and how governments, businesses and consumers respond is uncertain. This uncertainty is reflected in the Company's assessment of impairment loss allowance on its loans which are subject to a number of management judgements and estimates. In relation to COVID-19, judgements and assumptions include the extent and duration of the pandemic, the impacts of actions of governments and other authorities, and the responses of businesses and consumers in different industries, along with the associated impact on the global economy. The Company has separately incorporated estimates, assumptions and judgements specific to the impact of the COVID-19 pandemic and the associated support packages in the measurement of impairment loss allowance which resulted in an additional provision of Rs.185.91 lacs. The Company's impairment loss allowance estimates are inherently uncertain and consequently, actual results may differ from these estimates.

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43 Financial risk management (Continued)

j) Analysis of inputs to the ECL model with respect to macro economic variable

The below table shows the values of the forward looking macro economic variable used in each of the scenarios for the ECL calculations. For this purpose, the Company has used the data source published by global financial monitoring organisation. The upside and downside % change has been derived using historical standard deviation from the base scenario based on previous 8 years change in the variable.

GDP Growth Rates					
Scenario	2020	2021	2022	2023	2024
Base Case	7.489%	7.740%	7.731%	7.742%	7.737%
Best Case	8.238%	8.514%	8.504%	8.516%	8.511%
Worst Case	3.745%	3.870%	3.866%	3.871%	3.869%

An analysis of changes in gross carrying amount and corresponding ECL allowances is as follows :

(i) Movements in the gross carrying amount in respect of loans

Loans measured at amortised cost

Reconciliation of gross carrying amount	Stage 1
Gross carrying amount on 1 April 2018	11.43
New financial assets originated or purchased	29.68
Financial assets that have been derecognised / repaid	(13.49)
Gross carrying amount on 31 March 2019	**27.62**
New financial assets originated or purchased	40.45
Financial assets that have been derecognised / repaid	(27.98)
Gross carrying amount on 31 March 2020	**40.09**

Credit risk for the above assets have been determined to be negligible

Loans at fair value through OCI

Reconciliation of gross carrying amount	Stage 1	Stage 2	Stage 3
Gross carrying amount on 1 April 2018	37,235.41	832.35	925.21
Transfer to Stage 1	95.77	(41.73)	(54.04)
Transfer to Stage 2	(1,079.37)	1,079.37	-
Transfer to Stage 3	(3,231.38)	(603.48)	3,834.86
New financial assets originated or purchased	43,979.34	387.51	210.03
Financial assets that have been derecognised (includes bad debts written off) / repaid	(15,866.40)	(364.47)	(1,498.89)
Gross carrying amount on 31 March 2019	**61,133.37**	**1,289.55**	**3,417.17**
Transfer to Stage 1	294.03	(216.78)	(77.25)
Transfer to Stage 2	(4,826.65)	4,870.78	(44.13)
Transfer to Stage 3	(4,094.06)	(681.98)	4,776.04
New financial assets originated or purchased	50,585.77	609.57	905.63
Financial assets that have been derecognised (includes bad debts written off) / repaid	(28,539.39)	(1,638.10)	(3,826.53)
Gross carrying amount on 31 March 2020	**74,553.07**	**4,233.04**	**5,150.93**

The contractual amount outstanding on financial assets that has been written off by the Company during the year ended 31 March 2020 and that were still subject to enforcement activity was INR 2571.49 lacs (FY 2018-19: INR 808.15 lacs).

ii) Movements in the allowance for impairment in respect of loans

Loans at fair value through OCI

Reconciliation of loss allowance	Loss allowance measured at 12 month expected losses	Loss allowance measured at life-time expected losses	
		Financial assets for which credit risk has increased significantly and not credit-impaired	Financial assets for which credit risk has increased significantly and credit-impaired
Loss allowance on 1 April 2018	460.90	26.08	425.53
Transfer to Stage 1	10.42	(2.12)	(8.30)
Transfer to Stage 2	(14.15)	14.15	-
Transfer to Stage 3	(57.31)	(19.82)	77.13
New financial assets originated or purchased	1,914.95	43.61	1,794.72
Financial assets that have been derecognised (includes bad debts written off) / repaid	(94.27)	(9.78)	(821.60)
Loss allowance on 31 March 2019	**2,220.54**	**52.12**	**1,467.48**
Transfer to Stage 1	35.07	(6.88)	(28.19)
Transfer to Stage 2	(178.69)	199.98	(21.29)
Transfer to Stage 3	(182.08)	(32.16)	214.24
New financial assets originated or purchased	308.60	9.13	3,280.35
Financial assets that have been derecognised (includes bad debts written off) / repaid	(1,700.09)	(159.04)	(2,704.18)
Loss allowance on 31 March 2020	**503.35**	**63.15**	**2,208.41**

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(All amounts are in INR lacs except share data and unless otherwise stated)

43 Financial risk management (Continued)

	Stage 1	Stage 2	Stage 3
Carrying Amount (Net of Provision for Impairment Loss Allowance) on 31 March 2018	36,774.51	806.27	499.68
Carrying Amount (Net of Provision for Impairment Loss Allowance) on 31 March 2019	58,912.83	1,237.43	1,949.69
Carrying Amount (Net of Provision for Impairment Loss Allowance) on 31 March 2020	74,049.72	4,169.89	2,942.52

	Stage 1	Stage 2	Stage 3
Weighted average expected credit loss rate on 31 March 2018	1.24%	3.13%	45.99%
Weighted average expected credit loss rate on 31 March 2019	3.63%	4.04%	42.94%
Weighted average expected credit loss rate on 31 March 2020	0.68%	1.49%	42.87%

i) Concentration risk

Company's loan portfolio is predominantly to finance borrowers in MSME sector. The Company manages concentration of risk primarily by geographical region in India. The following tables show the geographical concentrations of trade advances and loans:

Loans to customers (measured at fair value through OCI)	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
South Zone	45,804.47	36,238.00	24,164.15
West Zone	38,132.57	29,602.09	14,828.82
Total	**83,937.04**	**65,840.09**	**38,992.97**

Loans to customers (%)	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
South Zone	54.57%	55.04%	61.97%
West Zone	45.43%	44.96%	38.03%
Total [Gross carrying amount]	**100.00%**	**100.00%**	**100.00%**

Quantitative Information of Collateral

As at	Maximum exposure to credit risk	Collateral (Machinery)*	Net exposure	Associated ECL**
31 March 2018	38,992.97	10,460.34	28,532.63	3.20%
31 March 2019	65,840.09	22,186.68	43,653.41	8.57%
31 March 2020	83,937.04	28,519.70	55,417.34	5.01%

* Fair value of underlying collateral [only machinery] [depreciated at 20% per annum, along with and an additional hair-cut of 50% to the depreciated value (as prescribed by Basel IRB norms)]

** The associated ECL has been arrived at by dividing the closing balance of impairment loss allowance by the net exposure.

Disclosure as required under RBI notification no. RBI/2019-20/220 DOR.No.BP.BC.63/21.04.048/2019-20 dated 17 April 2020 on COVID-19 Regulatory Package - Asset Classification and Provisioning

Particulars	Amount
i) Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended	10,843.91
ii) Respective amount where asset clas Respective amount where asset classification benefits is extended	1,539.26
iii) Provisions made during the Q4 - FY2020 In respect of accounts in default but standard where moratorium upto 3 months is granted, and asset classification benefit is extended, the Company has made general provisions of not less than 5 per cent of the total outstanding of such accounts as applicable for the quarter ended 31 March 2020 within the overall provision requirement of 10% of the total outstanding to be spread equally over two quarters. Balance genenral provision of not less than 5% of the total outstanding of such accounts is to be made for the quarter ending 30 June 2020.	43.62
iv) Provisions adjusted during the respective accounting periods against slippages and the residual provisions	-

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Visage Holdings and Finance Private Limited
Notes to financial statements for the year ended 31 March 2020 (Continued)
(All amounts are in INR lacs except share data and unless otherwise stated)

43 Financial risk management (Continued)

iii Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions in a timely manner, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company has obtained funding lines from various banks and NBFCs in the form of term loans. Further, the Company has access to funds from capital markets through non-convertible debentures. The Company also manages liquidity by raising funds through Securitisation / assignment transactions.The company has a diversified portfolio of lenders across sectors and segments.

Further, the Company's ALM has always been positive ensuring that there is no negative mis-matches in meeting obligations.

The unprecedented situation created by COVID-19 outbreak necessitated a nationwide lockdown thereby having a potential to impact treasury operations and risks on liquidity. In order to address this risk and to seamlessly carry out treasury activities, the Company immediately activated its Business Continuity Plan (BCP) and took following key actions amongst other administrative actions.

The company stress tested its ALM position and observed that the Company does not have a cumulative negative mismatch up till 12 months from the balance sheet date. Further, the company has received moratorium from majority of its lenders, basis which the Management is reasonably certain that the ALM position would remain positive for at least 12 months from the Balance sheet date.

With the steps taken as above the Company has been able to function normally and also make preparedness to start business as usual from the perspective of funds requirement.

Exposure to liquidity risk

The following are the remaining contractual undiscounted maturities of financial liabilities (including interest portion) at the reporting date.

As at 31 March 2020

Particulars	Contractual cash flows					
	Carrying amount	Gross nominal outflow	0-12 months	1-3 years	3-5 years	More than 5 years
Non - derivative financial liabilities						
Trade payables	127.76	127.76	127.76	-	-	-
Debt securities	25,785.98	29,521.79	14,484.75	15,037.04	-	-
Borrowings (other than debt securities)*	43,095.70	48,889.23	29,388.22	18,675.72	825.29	-
Subordinated liability	4,815.98	8,154.39	759.24	2,616.32	4,778.83	-
Lease liabilities	554.94	694.12	191.17	340.61	162.34	-
Other financial liabilities	4,735.04	4,735.04	1,334.86	2,986.93	402.24	11.01

* Refer note 16

As at 31 March 2019

Particulars	Contractual cash flows					
	Carrying amount	Gross nominal outflow	0-12 months	1-3 years	3-5 years	More than 5 years
Non - derivative financial liabilities						
Trade payables	78.77	78.77	78.77	-	-	-
Debt securities	26,485.11	32,758.45	6,358.88	26,399.57	-	-
Borrowings (other than debt securities)	37,244.00	42,700.37	22,467.28	19,309.78	608.61	314.70
Subordinated liability	4,817.93	8,921.70	767.31	1,521.09	2,410.99	4,222.31
Lease liabilities	72.12	82.55	43.79	38.76	-	-
Other financial liabilities	3,216.69	3,216.69	776.43	2,034.17	384.70	21.39

As at 1 April 2018

Particulars	Contractual cash flows					
	Carrying amount	Gross nominal outflow	0-12 months	1-3 years	3-5 years	More than 5 years
Non - derivative financial liabilities						
Trade payables	13.83	13.83	13.83	-	-	-
Debt securities	19,297.66	9,163.91	821.30	4,370.74	3,971.87	-
Borrowings (other than debt securities)	25,884.28	30,393.02	14,032.24	11,312.22	5,048.56	-
Subordinated liability	1,198.07	2,119.65	205.67	410.34	303.64	1,200.00
Lease liabilities	61.82	67.87	50.46	17.41	-	-
Other financial liabilities	1,838.38	1,838.38	368.48	1,123.82	325.29	20.79

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(All amounts are in INR lacs except share data and unless otherwise stated)

43 Financial risk management (Continued)

iv. Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates, etc. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while maximizing the return Generally, borrowings are denominated in currencies that match the cash flows generated by the underlying operations of the Company – primarily INR.

Interest rate risk

Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the Company's cash flows as well as costs.
The Company is subject to variable interest rates on some of its interest bearing financial liabilities. The Company also uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations.

Exposure to interest rate risk
The interest rate profile of the Company's interest-bearing financial instruments as reported to the management is as follows:

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Fixed rate instruments			
Cash and cash equivalents	10,926.37	22,295.04	4,648.14
Bank balance other than cash and cash equivalents	1,567.46	1,157.96	619.12
Loans	81,202.22	62,127.57	38,091.89
Other financial assets	1,223.95	647.50	252.65
Total financial assets	**94,920.00**	**86,228.07**	**43,611.80**
Trade Payables	127.76	78.77	13.83
Debt securities	25,785.98	26,485.11	19,297.66
Borrowings (other than debt securities)	23,763.54	18,210.31	15,763.23
Subordinated liabilities	4,815.98	4,817.93	1,198.07
Lease Liabilities	554.94	72.12	61.82
Other financial liabilities	4,735.04	3,216.69	1,838.38
Total financial liabilites	**59,783.24**	**52,880.93**	**38,172.99**
Variable rate instruments			
Borrowings (other than debt securities)	19,332.16	19,033.69	10,121.05

Cash flow sensitivity analysis for variable rate instruments

A reasonably possible change of 100 bps in interest rate at the reporting date would have increased or decreased equity and profit or loss (post tax) by the amounts shown below. This analysis assumes that all other variables remain constant.

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(All amounts are in INR lacs except share data and unless otherwise stated)

43 Financial risk management (Continued)

Particulars	100 bps increase	100 bps decrease
As at 31 March 2020		
Variable rate instruments	(177.85)	115.67
As at 31 March 2019		
Variable rate instruments	(135.36)	155.71

Operational risk

Operational risk is the risk of loss arising from inadequate or failed internal process or proper systems. The operational risks of the Company are managed through comprehensive internal control systems and procedures and key back up processes. This enables the management to evaluate key areas of operational risks and the process to adequately mitigate them on an ongoing basis. While examining the effectiveness of control framework through self-assessment, the risk-based review would assure effective implementation and adherence of internal financial controls, thereby, reducing enterprise exposure. The Company has put in place a robust Disaster Recovery (DR) plan, which is periodically tested. Business Continuity Plan (BCP) is further put in place to ensure seamless continuity of operations including services to customers, when confronted with adverse events such as disasters, technological failures, human errors etc. Periodic testing is carried out to address gaps in the framework, if any. DR and BCP are periodically reviewed to provide assurance regarding the effectiveness of the Company's readiness.

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(All amounts are in INR lacs except share data and unless otherwise stated)

44 Change in liabilities arising from financing activities

Particulars	As at 1 April 2019	Inflow	Outflow	Non Cash Changes*	As at 31 March 2020
Debt securities	26,485.11	3,238.37	(3,951.11)	13.61	25,785.98
Borrowings (other than debt securities)	37,244.00	29,539.82	(23,653.44)	(34.68)	43,095.70
Subordinated liabilities	4,817.93	-	-	(1.95)	4,815.98
Lease Liabilities	72.12		(174.92)	657.74	554.94
Total Liabilities from financing activities	**68,619.16**	**32,778.19**	**(27,779.47)**	**634.72**	**74,252.60**

Particulars	As at 1 April 2018	Inflow	Outflow	Non Cash Changes*	As at 31 March 2019
Debt securities	19,297.66	19,585.00	-	(12,397.55)	26,485.11
Borrowings (other than debt securities)	25,884.28	27,252.58	(15,879.50)	(13.36)	37,244.00
Subordinated liabilities	1,198.07	3,750.00	-	(130.14)	4,817.93
Lease Liabilities	61.82		(64.37)	74.67	72.12
Total Liabilities from financing activities	**46,441.83**	**50,587.58**	**(15,943.87)**	**(12,466.38)**	**68,619.16**

* Represents adjustments on account of EIR and other adjustments

45 Capital management

The Reserve Bank o f India vide i ts circular re ference RBI/2019-20/170 DOR (NBFC).CC.PD. No.109/22.10.106/2019-20 dated 13 March 2020 outlines the regulatory guidance in relation to Ind AS financial statements from financial year 2019-20 onwards. This included guidance for computation of 'owned funds' , 'net owned funds' and 'regulatory capital'. Accordingly, the 'regulatory capital' as of 31 March 2020 has been computed in accordance with these requirements read with the requirements of the Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016 (as amended). The 'regulatory capital' as of 31 March 2019 as disclosed in the comparative period numbers below was computed based on the carrying values as reflected in the financial statements prepared in accordance with requirements of Ind AS.

The Company has complied in full with all its externally imposed capital requirements over the reported period. The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximize shareholder value. The funding requirements are met through equity, non-convertible debentures and other long-term. The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

i. Regulatory capital

The Company's regulatory capital consists of the sum of the following elements :

- Tier 1 capital, which includes ordinary share capital, retained earnings and reserves and deduction for intangible assets, unrealised net fair value gains and other regulatory adjustments relating to items that are not included in equity but are treated differently for capital adequacy purposes.
- Tier 2 capital, which includes qualifying subordinated liabilities, hybrid debt instruments and impairment provision in respect of stage 1 assets.

	As at 31 March 2020	As at 31 March 2019
Risk weighted assets	73,950.59	57,526.66
CRAR (%) *	28.8%	33.9%
CRAR -Tier I Capital (%)	23.9%	25.3%
CRAR -Tier II Capital (%)	4.9%	8.6%

ii. Capital allocation

Management uses regulatory capital ratios to monitor its capital base. There is no allocation of capital required as Company is operating primarily in a single segment i.e., financing.

The Company's policies in respect of capital management and allocation are reviewed regularly by the Board of Directors.

iii. Risk weighted assets

Under RBI Guidelines, degrees of credit risk expressed as percentage weightages have been assigned to each of the on-balance sheet assets and off- balance sheet assets. Hence, the value of each of the on-balance sheet assets and off- balance sheet assets requires to be multiplied by the relevant risk weights to arrive at risk adjusted value of assets. The aggregate shall be taken into account for reckoning the minimum capital ratio.

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46 First time adoption of Ind AS

A. Explanation of transition to Ind AS

These financial statements, for the year ended 31 March 2020, are the first financial statements that the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2019, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act, 2013 (to the extent notified and applicable) and the Accounting Standards ('AS') specified under section 133 of the Companies Act, 2013 ("the Act") read with rule 7 of the Companies (Accounts) Rules 2014, and in accordance with generally accepted accounting principles in India ('Indian GAAP' or 'previous GAAP'), and the directions prescribed by the Reserve Bank of India ('RBI') for Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies, and the guidelines issued by the Securities and Exchange Board of India (SEBI) to the extent applicable.

The adoption of Ind AS has been carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards. Ind AS 101 requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS financial statements be applied retrospectively and consistently for all financial years presented. Accordingly, the Company has prepared Financial Statements which comply with Ind AS, with the opening Ind AS Balance Sheet as at April 1, 2018 being the date of transition to Ind AS. The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under Ind AS and Previous GAAP have been recognised directly in equity (retained earnings or another appropriate category of equity).

This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2018 and the financial statements as at and for the year ended 31 March 2019. In preparing the financial statements, the Company has applied the optional exemptions and mandatory exceptions. Significant items are explained below:

(i) Property, plant and equipment, intangible assets and investment properties

As permitted by Ind AS 101, the Company has elected to continue with the carrying values under previous GAAP for all the items of property, plant and equipment. The same election has been made in respect of intangible assets also.

(ii) Share based payments

The Company has availed the exemption of not applying Ind AS 102 Share-based Payment to options already vested as on the transition date

(iii) Derecognition of financial assets and liabilities

The Company has not elected the exemption of applying the de-recognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after the transition date. The Company has applied de-recognition requirements of financial assets and financial liabilities retrospectively

(iv) Leases

The Company has elected not to apply the lessee accounting model to leases with a lease term of 12 months or less that do not contain a purchase option (i.e. short-term leases)

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(All amounts are in INR lacs except share data and unless otherwise stated)

46 First time adoption of Ind AS (Continued)

B. Reconciliation of equity and total comprehensive income

(i) Reconciliation of equity as at 1 April 2018 and 31 March 2019

Particulars	Notes to first-time adoption	As at 1 April 2018			As at 31 March 2019		
		Previous GAAP*	Adjustment on transition to Ind AS	Ind AS	Previous GAAP*	Adjustment on transition to Ind AS	Ind AS
ASSETS							
Financial assets							
Cash and cash equivalents		4,648.14	-	4,648.14	22,295.04	-	22,295.04
Bank Balance other than above		619.12	-	619.12	1,157.96	-	1,157.96
Loans	(b),(c),(d),(e)	35,360.33	2,731.56	38,091.89	60,812.40	1,315.17	62,127.57
Other financial assets	(c),(f)	213.51	39.14	252.65	535.76	111.74	647.50
Non-financial assets							
Current tax assets (net)		-		-	26.37	-	26.37
Deferred tax assets (net)	(i)	132.65	362.73	495.38	352.52	938.11	1,290.63
Property, plant and equipment		213.39	-	213.39	270.14	-	270.14
Capital work-in-progress		-	-	-	102.23	-	102.23
Other intangible assets		48.61	-	48.61	85.11	-	85.11
Right to use asset	(g)	-	57.64	57.64	-	68.24	68.24
Other non financial assets	(f)	284.02	(54.40)	229.62	794.24	(97.66)	696.58
Total assets		**41,519.77**	**3,136.67**	**44,656.44**	**86,431.77**	**2,335.60**	**88,767.37**
LIABILITIES							
Financial liabilities							
Trade Payables							
(i) total outstanding dues of micro enterprises and small enterprises							
(ii)total outstanding dues of creditors other than micro enterprises and small enterprises		13.83	-	13.83	78.77	-	78.77
Debt securities	(a)	6,516.94	12,780.72	19,297.66	26,485.11	-	26,485.11
Borrowings (other than debt securities)	(a),(c)	22,064.53	3,819.75	25,884.28	32,670.20	4,573.80	37,244.00
Subordinated liabilities		1,198.07	-	1,198.07	4,817.93	-	4,817.93
Lease Liabilities	(g)	-	61.82	61.82	-	72.12	72.12
Other financial liabilities	(c)	1,792.53	45.85	1,838.38	3,133.77	82.92	3,216.69
Non-Financial Liabilities		-					
Current tax liabilities (net)		32.06	-	32.06	18.62	-	18.62
Provisions		64.01	-	64.01	117.09	-	117.09
Other non-financial liabilities	(g)	140.54	(1.88)	138.66	264.49	(12.15)	252.34
Total liabilities		**31,822.51**	**16,706.26**	**48,528.77**	**67,585.98**	**4,716.69**	**72,302.67**
EQUITY							
Equity share capital		442.65	-	442.65	603.85	-	603.85
Other equity	(a),(h),(i),(j)	9,254.61	(13,569.59)	(4,314.98)	18,241.94	(2,381.09)	15,860.85
Total equity		**9,697.26**	**(13,569.59)**	**(3,872.33)**	**18,845.79**	**(2,381.09)**	**16,464.70**
Total liabilities and equity		**41,519.77**	**3,136.67**	**44,656.44**	**86,431.77**	**2,335.60**	**88,767.37**

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

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Visage Holdings and Finance Private Limited
Notes to financial statements for the year ended 31 March 2020 (Continued)
(All amounts are in INR lacs except share data and unless otherwise stated)

46 First time adoption of Ind AS (Continued)

(ii) Reconciliation of total comprehensive income for the year ended 31 March 2019

Particulars	Notes to first-time adoption	Previous GAAP*	Adjustment on transition to Ind AS	Ind AS
Revenue from operations				
Interest Income	(b),(c),(f)	13,448.06	403.01	13,851.07
Fee and commission income	(c)	465.18	72.29	537.47
Total revenue from operations		13,913.24	475.30	14,388.54
Other income		39.33	-	39.33
Total income		13,952.57	475.30	14,427.87
Expenses				
Finance cost	(a),(c),(g)	5,871.23	492.65	6,363.88
Net gain on fair value changes	(c)	(28.02)	37.07	9.05
Impairment of financial instruments	(d)	1,543.89	2,091.89	3,635.78
Employee benefit expenses	(h)	3,571.09	40.21	3,611.30
Depreciation, amortization and impairment	(g)	196.01	55.45	251.46
Other expenses	(f),(g)	1,674.21	(74.64)	1,599.57
Total expenses		12,828.41	2,642.63	15,471.04
Profit/(loss) before tax		1,124.16	(2,167.33)	(1,043.17)
Tax expense:				
(1) Current tax - Current Year		561.39	-	561.39
- Eariler Year		(46.35)	-	(46.35)
(2) Deferred tax charge / (credit)	(i)	(219.88)	(564.00)	(783.88)
		295.16	(564.00)	(268.84)
Profit/(loss) for the year		829.00	(1,603.33)	(774.33)
Other comprehensive income				
(i) Items that will not be reclassified to profit or loss				
- Remeasurements of the defined benefit plans	(e)	-	(4.75)	(4.75)
(ii) Income tax relating to items that will not be reclassified to profit or loss	(i)	-	1.20	1.20
Subtotal		-	(3.55)	(3.55)
(i) Items that will be reclassified to profit or loss				
- Debt instruments through other comprehensive income	(e)	-	(40.47)	(40.47)
(ii) Income tax relating to items that will be reclassified to profit or loss	(i)	-	10.18	10.18
Subtotal		-	(30.29)	(30.29)
Other comprehensive income		-	(33.84)	(33.84)
Total comprehensive income for the year		829.00	(1,637.17)	(808.17)

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

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Visage Holdings and Finance Private Limited Bangalore

(All amounts are in INR lacs except share data and unless otherwise stated)

46 First time adoption of Ind AS (Continued)

C. Summary reconciliations between Ind-AS and Previous GAAP for equity, total comprehensive income and statement of cash flows are given below.

(i) Reconciliation of total equity as at 31 March 2019 and 1 April 2018

Particulars	Notes to first-time adoption	As at 31 March 2019	As at date of transition 1 April 2018
Equity as reported under Previous GAAP		18,845.79	9,697.26
Adjustments resulting in increase / (decrease) in equity as reported under Previous GAAP :			
(a) Impact on application of Expected Credit Loss method for impairment on financial instruments with corresponding reversal & related adjustments as per Ind AS 109	(d)	(2,251.42)	(510.16)
(b) Impact on recognition of financial assets and financial liabilities at amortised cost by application of effective interest rate method as per Ind AS 109	(a),(b)	(1,181.50)	(648.13)
(c) Impact on applying of recognition/derecognition criteria on financial assets as per Ind AS 109.	(c)	187.84	51.22
(d) Impact of recoginition of Liability component of compound financial instruments as per Ind AS 32	(a)	-	(12,780.72)
(e) Fair valuation of financial assets carried through other comprehensive income	(e)	(81.18)	(40.71)
(f) Others	(f),(g) ,(h)	7.06	(3.82)
(g) Tax impact on above adjustments	(i)	938.11	362.73
Total adjustments on transition to Ind AS		**(2,381.09)**	**(13,569.59)**
Equity as per Ind AS		**16,464.70**	**(3,872.33)**

(ii) Reconciliation of total comprehensive income for the year ended 31 March 2019

Particulars	Notes to first-time adoption	Year ended 31 March 2019
Profit after tax under Previous GAAP		829.00
Adjustments resulting in increase / (decrease) in profit after tax as reported under Previous GAAP :		
(a) Impact on application of Expected Credit Loss method for impairment on financial instruments with corresponding reversal & related adjustments as per Ind AS 109	(d)	(1,741.25)
(b) Impact on recognition of financial assets and financial liabilities at amortised cost by application of effective interest rate method as per Ind AS 109	(a),(b)	(533.37)
(c) Impact on applying of recognition/derecognition criteria on financial assets as per Ind AS 109.	(c)	136.61
(d) Fair valuation of share based payments as per Ind AS 102	(h)	(44.96)
(f) Others	(g) ,(f)	15.65
(g) Tax impact on above adjustments	(i)	563.99
Profit after tax as per Ind AS		**(774.33)**
Other comprehensive income, net of taxes	(e)	(33.84)
Total comprehensive income for the year		**(808.17)**

(iii) Impact of Ind AS adoption on the statement of cash flows for the year ended 31 March 2019

Particulars	Previous GAAP	Adjustments	Ind AS
Net cash flow from operating activities	(23,372.54)	(1,026.42)	(24,398.96)
Net cash flow from investing activities	(1,017.38)	100.01	(917.37)
Net cash flow from financing activities	42,020.45	942.78	42,963.23
Net increase/(decrease) in cash and cash equivalents	17,630.53	16.37	17,646.90
Cash and cash equivalents as at 1 April 2018	4,664.51	(16.37)	4,648.14
Cash and cash equivalents as at 31 March 2019	22,295.04	-	22,295.04

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Visage Holdings and Finance Pvt. Ltd. Bangalore

46 First time adoption of Ind AS (Continued)

D. Notes to the reconciliations

(a) Equity and Financial Liabilities

Ind AS 109 requires transactions costs directly attributable to origination of borrowings to be charged to statement of profit or loss as interest expense over the contractual terms of the borrowings applying effective interest rate method. Accordingly, borrowings are required to be recorded; net of such transaction costs. Under previous GAAP, such transaction costs were shown as unamortised costs under non-current/ current assets.

Ind AS 32 requires the obligation to purchase its own equity instruments as a financial liabilities since such instruments gives the holder the right to put them back to the Company for cash or other financial assets and creates a contractual obligation on the Company.The Company does not have the unconditional ability to avoid such financial liabilities. The Company has classified such instruments as financial liabilities as at 1April 2018.

Subsequently, during the financial year ended 31 March 2019, the Company re-classified the instrument as Equity, when it ceased to include any contractual obligation on the Company to deliver cash or another financial asset or to exchange financial assets or financial liabilities under potentially unfavourable conditions. The Company has classified such instruments as Equity as at 31 March 2019, wherein the equity instrument is measured at the carrying amount of the aforesaid financial liability at the date of reclassification. There is no pre-tax profit or loss impact arising from the reclassification Under previous GAAP, such instruments were classified as Equity.

(b) Loans

Ind AS 109 requires transactions cost/ income directly attributable to origination of loans to be recognised in statement of profit and loss over the contractual terms of the loans applying effective interest rate method. Ind AS 109 requires carrying amount of loans to be recorded; net of such transaction cost/ income. Under previous GAAP, such transaction costs were shown as unamortised cost under non-current/ current assets.

Further, under Ind AS, interest income on credit impaired loan assets (non performing assets), is calculated by applying effective interest rate to the net amortised cost of such loan assets. If the financial assets cures and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis. Under previous GAAP, interest income on non performing assets was recognised upon realisation as per RBI guidelines. Under Ind AS, the loan assets are disclosed net of impairment allowance computed using expected credit loss model.

Under previous GAAP, the Company recognized Loans at cost. Ind AS 109 requires the Company to measure Loans at FVOCI, since its business model has the objective of both collecting contractual cash flows and selling financial assets. At the date of transition to Ind AS, difference between the instruments fair value and Indian GAAP carrying amount has been recognised as a separate component of equity, in the FVOCI reserve, net of related deferred taxes.

(c) Co-lending transactions and Securitisation transactions

Under Ind AS, present value of excess interest spread receivables on de-recognised assets has been computed by discounting net cash flows from such assigned pools and income from co-lending arrangement is recognised upfront in books of accounts. Under previous GAAP, the income in respect co-lending arrangement was recognised only when redeemed in cash, as per regulatory guideline prescribed by the Reserve Bank of India.The Company has recognised the fair value of financial guarantee provided to the Co-lending partner as per the terms the aforesaid co-lending arrangements in its books of accounts and disclosed it as part of 'other financial liabilities'

Securitization (PTC) transaction do not meet the de-recognition criteria under Ind AS and are recognised in books of accounts as loan assets. The corresponding consideration received is recognised as borrowings . The interest income from loan assets and finance charges for borrowings are included in revenue from operations and finance cost respectively.

(d) Expected credit loss allowance

On transition to Ind AS, the Company has recognised impairment loss on loans and other financial assets based on the expected credit loss (ECL) model as required by Ind AS 109. Consequently, loans and other financial assets have been reduced with a corresponding decrease in retained earnings on the date of transition.

Reversal of provision includes reversal for accounts regularized in the normal course of business and on account of loan accounts written off and includes amounts adjusted in retained earnings on transition from previous GAAP to Ind AS.

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46 First time adoption of Ind AS (Continued)

(e) Other comprehensive income

Items of income and expense that are not recognised in profit or loss but are shown in other comprehensive income includes remeasurements of defined benefit plans (*) and fair value gains or (losses) on FVOCI instruments. The concept of other comprehensive income did not exist under previous GAAP.

(*) Gain/Loss on remeasurement of defined benefit obligation was recognised as part of the gratuity cost in the Statement of Profit and Loss under the Previous GAAP. Under Ind AS, such gain/loss is recognised under other comprehensive income along with consequent current tax charge.

(f) Fair value of other items

Under Ind AS, the Company has fair valued some other items such as security deposits given, stock options and other financial assets which were recorded under previous GAAP at carrying value or intrinsic value.

(g) Leases

The Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, which convey the right to control the use of an identified asset for a period of time in exchange for consideration except for leases with a term of twelve months or less (short-term leases).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. 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. Interest expenses on the lease liability and depreciation charge for the right-to-use asset have been included within the line items "Finance costs" and "Depreciation and amortization " respectively in the statement of profit or loss;

Under the previous GAAP, the Company recognised expenses relating to the aforementioned contracts as 'Rent' in the Statement of Profit and Loss.

(h) Share based payments

The grant date fair value of equity settled share-based payment options granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the options. The amount recognised as expense is based on the estimate of the number of options for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of options that do meet the related service and non-market vesting conditions at the vesting date
Under previous GAAP, the ESOPs given to employees of the company is recorded at intrinsic value. Under Ind AS, the option fair value cost is amortised over the vesting period in the statement of Profit and Loss and a corresponding liability for ESOP outstanding is created.

(i) Tax impact on adjustments

Retained earnings and statement of profit and loss has been adjusted consequent to the Ind AS transition adjustments with corresponding impact to deferred tax. wherever applicable.

(j) Retained earnings

Retained earnings as at 1 April 2018 has been adjusted consequent to the above Ind AS transition adjustments.

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Visage Holdings and Finance Private Limited
Bangalore
R.A

47 Disclosure required in terms of the Revised Regulatory Framework for NBFC issued by RBI on 10 November, 2014 *

* Amounts included herein are based on current and previous year financials, as per Ind AS.

(a) Capital	As at 31 March 2020	As at 31 March 2019
(i) CRAR (%)	28.8%	33.9%
(ii) CRAR -Tier I Capital (%)	23.9%	25.3%
(iii) CRAR -Tier II Capital (%)	4.9%	8.6%
(iv) Subordinated debt as Tier-II capital	4,815.98	4,817.93
(v) Perpetual debt instruments	-	-

(b) Investments	As at 31 March 2020	As at 31 March 2019
Value of Investments		
(i) Gross Value of Investments		
(a) In India		
(b) Outside India	-	-
(ii) Provisions for Depreciation		
(a) In India	-	-
(b) Outside India	-	-
(iii) Net Value of Investments		
(a) In India	-	-
(b) Outside India	-	-

In previous year Company made an investment of Rs. 1,000 lacs in mutual funds(29,409.983 units at NAV of Rs. 4,271.68/- per unit) and was fully sold for a consideration of Rs. 1,028.02 lacs (29,409.983 units at NAV of Rs. 4,391.39/- per unit) in the previous year itself.

(c) Derivative	As at 31 March 2020	As at 31 March 2019
1 Forward Rate Agreement / Interest rate Swap		
(i) The notional principal of swap agreements	-	-
(ii) Loss which would be incurred if counterparties failed to fulfil their obligations under the agreements	-	-
(iii) Collateral required by the NBFC upon entering into swaps	-	-
(iv) Concentration of credit risk arising from the swaps	-	-
(v) The fair value of swap book loss	-	-

The Company does not have any gain/loss (Previous year : Nil) relating to derivative financial instrument.
The Company does not have any exposure to exchange traded interest rate (IR) derivatives as at 31 March 2020 and 31 March 2019.

2 Disclosures on risk exposure in derivatives

Qualitative disclosure

Fair value of derivative contracts is determined based on the appropriate valuation techniques considering the terms of the contract as at the balance sheet date. Mark to market gains or losses in derivative contracts are recognised in the statement of profit and loss in the period in which they arise.

Quantitative Disclosures

Particulars	As at 31 March 2020	As at 31 March 2019
(i) Derivatives (Notional Principal Amount) : For Hedging	-	-
(ii) Marked to Market Positions		
(a) Asset (+)	-	-
(b) Liability (-)	-	-
(iii) Credit Exposure	-	-
(iv) Unhedged Exposures	-	-

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47 Disclosure required in terms of the Revised Regulatory Framework for NBFC issued by RBI on 10 November, 2014 (Continued)*

* Amounts included herein are based on current and previous year financials. as per Ind AS.

(d) Disclosures relating to Securitisation^		**As at 31 March 2020**	**As at 31 March 2019**
1	**(i) Outstanding amount of Securitised assets as per books of the SPVs #**		
1	No. of Special Purpose Vehicles (SPVs) sponsored by the NBFC for securitisation transactions **	4	5
2	Total amount of securitised assets as per books of the SPVs sponsored	7,804.44	5,711.05
3	Total amount of the exposures retained by the NBFC to comply with MRR as on the date of balance sheet		
	a) Off-balance sheet exposures		
	First loss	-	-
	Others	-	-
	b) On-balance sheet exposures		
	First loss	-	-
	Others	1,436.45	1,137.24
4	Amount of exposures to securitisation transactions other than MRR		
	a) Off-balance sheet exposures		
	(i) Exposure to own securitisation		
	First loss	-	-
	Others	-	-
	(ii) Exposure to third party securitisations		
	First loss	-	-
	Others	-	-
	b) On-balance sheet exposures		
	(i) Exposure to own securitisation		
	First Loss (In the form of Fixed deposits)	848.24	558.20
	Others	-	-
	(ii) Exposure to third party securitisations		
	First loss	-	-
	Others	-	-

** Only the SPVs relating to outstanding securitisation transactions are reported here.

\# The above figures are being reported based on certificate issued by the auditors of the SPV.

^ Securitization transaction do not meet the derecognition criteria under Ind AS and are recognized as 'on balance sheet exposures'. Accordingly income and discounting charges are included in revenue from operations and finance cost respectively. Amounts stated above are for the purpose of disclosure.

(ii) Disclosure relating to securitisation pursuant to Reserve Bank of India notification DNOD. No. BP. 1502/21.04.048/2004-05 dated 1 February 2006

	As at 31 March 2020	**As at 31 March 2019**
Total number of contracts for loan assets securitised during the year	3,177	2,097
Book value of Loan assets securtised during the year	6,919.82	5,787.94
Sale consideration received for securitised assets during the year	6,919.82	5,787.94
Gain/ Loss (if any) on sale on securitised loan assets	-	-
Quantum (Outstanding value) of service provided: Credit enhancement (over collateral and cash collateral)	1,408.13	876.56

(ii) The value of "excess interest spread receivable" and "unrealised gain" on securitisation transactions undertaken in terms of guidelines on securitisation transaction issued by Reserve Bank of India on 21 August 2012 is given below:#

		As at 31 March 2020	**As at 31 March 2019**
1	Excess interest spread receivable	2,243.80	1,034.00
2	Unrealised gain on securitisation transactions	2,243.80	1,034.00

*Securitization transaction do not meet the derecognition criteria under Ind AS and are recognized as 'on balance sheet exposures'. Accordingly income and discounting charges are included in revenue from operations and finance cost respectively. Amounts stated above are for the purpose of disclosure.

2 Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction

No financial assets are sold to securitisation / reconstruction company for asset reconstruction during the financial year ended 31 March 2020 and 31 March 2019.

3 Details of the net book value of investments in security receipts:

The Company has no investment in security receipts during the financial year ended 31 March 2020 and 31 March 2019.

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47 Disclosure required in terms of the Revised Regulatory Framework for NBFC issued by RBI on 10 November, 2014 (Continued)*

* Amounts included herein are based on current and previous year financials, as per Ind AS.

4 Details of Assignment transactions undertaken by NBFCs	As at 31 March 2020	As at 31 March 2019
(i) No. of accounts	1,076	-
(ii) Aggregate value (net of provisions) of accounts sold	2,456.60	-
(iii) Aggregate consideration	2,456.60	-
(iv) Additional consideration realised in respect of accounts transferred in earlier years	-	-
(v) Aggregate gain / loss over net book value	-	-

5 Details of non-performing financial assets purchased / sold

a) Details of non-performing financial assets purchased:

The Company has not purchased any non-performing financial assets during the financial year ended 31 March 2020 and 31 March 2019.

b) Details of non-performing financial assets sold:

The Company has not sold any non-performing financial assets during the financial year ended 31 March 2020 and 31 March 2019.

(e) Asset Liability Management - Maturity pattern of certain items of Assets and Liabilities

	1day to 30/31days (1 month)	Over 1 Month upto 2 Months	Over 2 Months upto 3 Months	Over 3 Months to 6 Months	Over 6 Months to 1 Year	Over 1 Years to 3 Years	Over 3 Years to 5 Years	Over 5 Years	Total
Deposits	11,162.72	-	140.38	46.06	41.87	884.63	632.88	-	12,908.54
Advances	7,338.36	2,898.40	2,917.25	8,800.26	16,857.17	38,009.33	6,485.41	670.95	83,977.13
Investments	-	-	-	-	-	-	-	-	-
Borrowings*#	6,550.19	1,066.44	5,380.76	6,339.34	18,522.50	31,734.76	4,409.47	-	74,003.46
Foreign currency assets	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	-	-	-	-	-	-	-	-	-

* Refer note 16.

#The Maturity pattern of Borrowings disclosed above includes impact of moratorium granted by the borrowers in accordance to RBI notification no. RBI/2019-20/220 DOR.No.BP.BC.63/21.04.048/2019-20 dated 17 April 2020 on COVID-19 Regulatory Package - Asset Classification and Provisioning

(f) Exposures

1 Exposure to real estate sector

The Company has no exposure to Real estate sector during the financial year ended 31 March 2020 and 31 March 2019.

2 Exposure to Capital Market

The Company has no exposure to Capital markets during the financial year ended 31 March 2020 and 31 March 2019.

3 Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC

The Company has not exceeded the prudential exposure limits during the financial year ended 31 March 2020 and 31 March 2019.

4 Unsecured advances	As at 31 March 2020	As at 31 March 2019
Unsecured Advances	29,047.15	14,837.33

(g) Registration obtained from other financial sector regulators.

Regulator	Registration no.	Date of registration / renewal
1 Ministry of Corporate Affairs	U74899KA1996PTC068587	3 December 1996
2 Reserve Bank of India	B-02.00255	27 August 2013

(h) Details of penalties imposed by RBI and other regulators

No penalties has been imposed by RBI and other regulators on the Company during the financial year ended 31 March 2020 and 31 March 2019.

(i) Details of Ratings assigned by credit rating agencies and migration of ratings during the year

The Credit Analysis & Research Limited (CARE) and ICRA Limited have assigned ratings for the various facilities availed by the Company. details of which are given below:

Facility	31 March 2020		31 March 2019	
	CARE	ICRA	CARE	ICRA
Bank Facilities	CARE BBB; Stable	[ICRA] BBB- (Stable)	CARE BBB; Stable	[ICRA] BBB- (Positive)
Non Convertible Debentures	CARE BBB; Stable	[ICRA] BBB- (Stable)	CARE BBB; Stable	[ICRA] BBB- (Positive)
Subordinated Debentures	CARE BBB; Stable	-	CARE BBB; Stable	-

Date of rating assigned relates to rating valid on 31 March 2020

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47 **Disclosure required in terms of the Revised Regulatory Framework for NBFC issued by RBI on 10 November, 2014 (Continued)***
* Amounts included herein are based on current and previous year financials, as per Ind AS.

j) **Remuneration of non-executive Directors**

Name of directors		Nature of payment	As at 31 March 2020	As at 31 March 2019
1	Bhavna Thakur	Sitting Fees	5.50	3.80
2	Sunil Satyapal Gulati	Sitting Fees	7.30	3.05
3	Ravindra Pisharody	Sitting Fees	5.25	1.70

(k) **Provisions and Contingencies**

Break up of 'Provisions and Contingencies' shown in the Statement of Profit and Loss	As at 31 March 2020	As at 31 March 2019
Under "Impairment on financial instruments"		
1 Provision for standard assets (Stage 1 assets and Stage 2 assets)	(1,706.16)	1,785.68
2 Provision for non-performing assets (Stage 3 assets) excludes bad debts written off	740.93	1,041.95
Under "Tax expenses"		
Provision made towards income tax (includes deferred tax)	805.15	(268.84)
Under "Employee Benefit Expenses"		
1 Provision for Gratuity	44.02	36.84
2 Provision for compensated absences	18.36	43.60

(l) **Concentration of Deposits, Advances, Exposures and NPAs**

1 **Concentration of Advances**	As at 31 March 2020	As at 31 March 2019
Total advances to twenty largest borrowers	824.29	741.66
Percentage of advances to twenty largest borrowers to total advances	1.0%	1.1%

2 **Concentration of Exposures**	As at 31 March 2020	As at 31 March 2019
Total exposure to twenty largest borrowers/ customers	824.29	741.66
Percentage of exposures to twenty largest borrowers/ customers to total exposure on borrowers/ customers	1.0%	1.1%

3 **Concentration of NPAs**	As at 31 March 2020	As at 31 March 2019
Total exposure to top four NPA accounts	116.09	94.23

4 **Sector-wise NPAs**

Sector		% of NPAs to Total Advances in the sector	
		As at 31 March 2020	As at 31 March 2019
(i)	Agriculture and allied activities	-	-
(ii)	MSME	6.1%	5.2%
(iii)	Corporate borrowers	-	-
(iv)	Services	-	-
(v)	Unsecured personal loans	-	-
(vi)	Auto loans	-	-
(vii)	Other loans	-	-

The Gross NPA(%) as disclosed above represent the Gross carrying amount of Stage III financial assets [determined as per the provisions of Ind AS 109-Financial Instruments]. The Gross NPA (%) amounts to 5.1% (31 March 2019 : 4.3%) without considering the impact of downgrade in asset classification of loans which were given to Micro, Small and Medium Enterprises ('MSMEs') and to which the Company granted a 'one-time restructuring' benefit. These loans were classified as 'Standard' at the time of such restructuring. This is permitted pursuant to the provisions of the RBI Circular [DOR.No.BP.BC.34/21.04.048/2019-20] dated 11 February 2020 on Restructuring of advances given to Micro, Small and Medium Enterprises.

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47 Disclosure required in terms of the Revised Regulatory Framework for NBFC issued by RBI on 10 November, 2014 (Continued)*

* Amounts included herein are based on current and previous year financials, as per Ind AS.

(m) Movement of NPAs (Stage 3 Assets)	As at 31 March 2020	As at 31 March 2019
i) Net NPAs to Net Advances (%)	3.6%	3.0%
ii) Movement of NPAs (Gross)		
a) Opening balance	3,417.17	925.21
b) Additions during the year	5,681.67	4,044.89
c) Reductions during the year	3,947.91	1,552.93
d) Closing balance	5,150.93	3,417.17
iii) Movement of Net NPAs		
a) Opening balance	1,949.69	499.68
b) Additions during the year	2,187.08	2,173.04
c) Reductions during the year	1,194.25	723.03
d) Closing balance	2,942.52	1,949.69
iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
a) Opening balance	1,467.48	425.53
b) Provisions made during the year	3,494.59	1,871.85
c) Write-off / write-back of excess provisions	2,753.66	829.90
d) Closing balance	2,208.41	1,467.48

The Gross NPA and Net NPA as disclosed above represent the Gross carrying amount and Net carrying amount of Stage III financial assets, respectively[determined as per the provisions of Ind AS 109-Financial Instruments]. The Gross NPA (GNPA) amounts to INR 4,291.41 lacs (31 March 2019 : INR 2,816.59 lacs) and Net NPA (NNPA) amounts to INR 2,365.13 lacs (31 March 2019 : INR 1,596.03 lacs) without considering the impact of downgrade in asset classification of loans which were given to Micro, Small and Medium Enterprises ('MSMEs') and to which the Company granted a 'one-time restructuring' benefit. These loans were classified as 'Standard' at the time of such restructuring. This is permitted pursuant to the provisions of the RBI Circular [DOR.No.BP.BC.34/21.04.048/2019-20] dated 11 February 2020 on Restructuring of advances given to Micro, Small and Medium Enterprises. The corresponding NNPAs to Net Advances (%) amounts to 2.9% (31 March 2019 : 2.5%) after considering the impact of the above RBI Circular in determination of Gross NPA and Net NPA.

(n) Disclosure of complaints

Customer complaints	As at 31 March 2020	As at 31 March 2019
No. of complaints pending at the beginning of the year	-	-
No. of complaints received during the year	2	4
No. of complaints redressed during the year	2	4
No. of complaints pending at the end of the year	-	-

(o) Disclosures relating to fraud in terms of the notification issued by Reserve Bank of India

The Company has not detected and reported any frauds during the current year (Previous year : Nil)

(p) Draw Down from Reserves

The Company has made no draw down from existing reserves.

(q) Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)

There are no overseas asset owned by the Company.

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Visage Holdings and Finance Private Limited
Schedule annexed to the balance sheet for the year ended 31 March 2020 *
(All amounts are in ₹ lacs except share data and unless otherwise stated)
* Amounts included herein are based on current and previous year financials, as per Ind AS.

Schedule annexed to the Balance Sheet

48 Disclosure of details as required in terms of Paragraph 19 of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

Sl. No.	Particulars	Amount outstanding as at 31 March 2020	Amount overdue as at 31 March 2020	Amount outstanding as at 31 March 2019	Amount overdue as at 31 March 2019
	Liabilities				
1	**Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid ***				
(a)	Debentures				
	- Secured	23,256.65	-	25,243.24	-
	- Unsecured	2,529.33	-	1,241.87	-
(b)	Deferred Credits	-	-		-
(c)	Term Loans	36,635.35	-	32,032.16	-
(d)	Associated liabilities in respect of securitisation transactions	6,460.35	-	5,211.84	-
(e)	Inter-Corporate Loans and Borrowing	-	-	-	-
(f)	Subordinated debt	4,815.98	-	4,817.93	-
(g)	Commercial paper	-	-	-	-
(h)	Other loans (specify nature)	-	-	-	-

Sl. No.	Particulars	Amount outstanding as at 31 March 2020	Amount outstanding as at 31 March 2019
	Assets		
2	**Break-up of Loans and Advances, including Bills Receivables (other than those included in (3) below)**		
(a)	Secured	54,929.98	51,030.38
(b)	Unsecured	29,047.15	14,837.33

Sl. No.	Particulars	Amount outstanding as at 31 March 2020	Amount outstanding as at 31 March 2019
3	**Break-up of Leased Assets and Stock on Hire and hypothecation loans counting towards AFC activities**		
(i)	Lease Assets including Lease Rentals under Sundry Debtors	-	-
(ii)	Stock on Hire including Hire Charges under Sundry Debtors	-	-
(iii)	Other loans counting towards AFC activities	-	-

Sl. No.	Particulars	Amount outstanding as at 31 March 2020	Amount outstanding as at 31 March 2019
4	**Break-up of Investments**		
	Current Investments		
1	Quoted		
	(i) Shares (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of Mutual Funds	-	-
	(iv) Government Securities	-	-
	(v) Others (please specify)	-	-
2	Unquoted		
	(i) Shares (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of Mutual Funds	-	-
	(iv) Government Securities	-	-
	(v) Others (please specify)	-	-

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Visage Holdings and Finance Private Limited
Schedule annexed to the balance sheet for the year ended 31 March 2020 * (Continued)
(All amounts are in ₹ lacs except share data and unless otherwise stated)
* Amounts included herein are based on current and previous year financials, as per Ind AS.

Schedule annexed to the Balance Sheet (Continued)

48 Disclosure of details as required in terms of Paragraph 19 of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 (Continued)

Sl. No.	Particulars	Amount outstanding as at 31 March 2020	Amount outstanding as at 31 March 2019
	Long-term Investments		
1	Quoted		
	(i) Shares (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of Mutual Funds	-	-
	(iv) Government Securities	-	-
	(v) Others (please specify)	-	-
2	Unquoted		
	(i) Shares (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of Mutual Funds	-	-
	(iv) Government Securities	-	-
	(v) Others (please specify)	-	-

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

	Category	Amount net of provisions		
		Secured	Unsecured	Total as at 31 March 2020
1	Related Parties			
	(a) Subsidiaries	-	-	-
	(b) Companies in the same group	-	-	-
	(c) Other related parties	-	-	-
2	Other than Related Parties	53,814.38 #	27,387.84	81,202.22
	Total	**53,814.38**	**27,387.84**	**81,202.22**

* Securitization transaction do not meet the de-recognition criteria under Ind AS and are recognized in books of accounts. Accordingly amounts stated above are inclusive of securitisation transactions for the purpose of disclosure.

Borrower group-wise classification of assets financed as in (2) and (3) above *

	Category	Amount net of provisions		
		Secured	Unsecured	Total as at 31 March 2019
1	Related Parties			
	(a) Subsidiaries	-	-	-
	(b) Companies in the same group	-	-	-
	(c) Other related parties	-	-	-
2	Other than Related Parties	48,372.90	13,754.67	62,127.57
	Total	**48,372.90**	**13,754.67**	**62,127.57**

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Visage Holdings and Finance Private Limited
Schedule annexed to the balance sheet for the year ended 31 March 2020 * (Continued)
(All amounts are in ₹ lacs except share data and unless otherwise stated)
* Amounts included herein are based on current and previous year financials, as per Ind AS.

Schedule annexed to the Balance Sheet (Continued)

48 Disclosure of details as required in terms of Paragraph 19 of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 (Continued)

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

	Category	Market Value / Break up or Fair Value or NAV as 31 March 2020	Book Value (Net of Provisions) as at 31 March 2020	Market Value / Break up or Fair Value or NAV as at 31 March 2019	Book Value (Net of Provisions) as at 31 March 2019
1	Related Parties				
	(a) Subsidiaries	-	-	-	-
	(b) Companies in the same group	-	-	-	-
	(c) Other related parties	-	-	-	-
2	Other than Related Parties	-	-	-	-
	Total	-	-	- -	-

7 Other information

	Particulars	Total as at 31 March 2020	Total as at 31 March 2019
(i)	Gross Non-Performing Assets		
	(a) Related parties	-	-
	(b) Other than Related parties	5,150.93	3,417.17
(ii)	Net Non-Performing Assets		
	(a) Related parties	-	-
	(b) Other than Related parties	2,942.52	1,949.69
(iii)	Assets acquired in satisfaction of debt	-	-

The Gross NPA and Net NPA as disclosed above represent the Gross carrying amount and Net carrying amount of Stage III financial assets, respectively[determined as per the provisions of Ind AS 109-Financial Instruments]. The Gross NPA (GNPA) amounts to INR 4,291.41 lacs (31 March 2019 : INR 2,816.59 lacs) and Net NPA (NNPA) amounts to INR 2,365.13 lacs (31 March 2019 : INR 1,596.03 lacs) without considering the impact of downgrade in asset classification of loans which were given to Micro, Small and Medium Enterprises ('MSMEs') and to which the Company granted a 'one-time restructuring' benefit. These loans were classified as 'Standard' at the time of such restructuring. This is permitted pursuant to the provisions of the RBI Circular [DOR.No.BP.BC.34/21.04.048/2019-20] dated 11 February 2020 on Restructuring of advances given to Micro, Small and Medium Enterprises. The corresponding NNPAs to Net Advances (%) amounts to 2.9% (31 March 2019 : 2.5%) after considering the impact of the above RBI Circular in determination of Gross NPA and Net NPA.

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Visage Holdings and Finance Private Limited
Schedule annexed to the balance sheet for the year ended 31 March 2020 *
(All amounts are in ₹ lacs except share data and unless otherwise stated)
* Amounts included herein are based on current and previous year financials, as per Ind AS.

Schedule annexed to the Balance Sheet (Continued)

49 Disclosures as required under Guidelines on Liquidity Risk Management Framework for NBFCs issued by RBI vide notification no. RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated 4 November 2019

1 Funding Concentration based on significant counterparty (both deposits and borrowings)

Sl. no.	Type of instrument	Number of Significant Counterparties	Amount	% of Total deposits	% of Total Liabilities
1	Deposits	NA	NA	NA	NA
2	Borrowings	24	70,040.54	NA	88%

2 Top 20 large deposits

Not applicable. The Company being a Systemically Important Non-Deposit taking Non-Banking Financial Company registered with Reserve Bank of India does not accept public deposits.

3 Top 10 borrowings

Description	Amount	% of Total borrowings
Top 10 borrowings	51,588.11	70%

4 Funding Concentration based on significant instrument/product

Sl. no.	Name of the instrument/product	Amount	% of Total Liabilities
1	Debentures		
	- Secured	23,256.65	29%
	- Unsecured	2,529.33	3%
2	Term Loans	36,635.35	46%
3	Associated liabilities in respect of securitisation transaction	6,460.35	8%
4	Subordinated debt	4,815.98	6%

5 Stock Ratios

Sl. no.	Description	Amount	% of total public funds	% of total liabilities	% of total assets
1	Commercial papers	Nil	Nil	Nil	Nil
2	Non-convertible debentures (original maturity of less than o	Nil	Nil	Nil	Nil
3	Other short-term liabilities	1,831.72	2%	2%	2%

6 Institutional set-up for Liquidity Risk Management

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions in a timely manner, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company has obtained funding lines from various banks and NBFCs in the form of term loans. Further, the Company has access to funds from capital markets through non-convertible debentures. The Company also manages liquidity by raising funds through Securitisation / assignment transactions.The company has a diversified portfolio of lenders across sectors and segments.

Further, the Company's ALM has always been positive ensuring that there is no negative mis-matches in meeting obligations.

Definition of terms as used in the table above:

i. A "Significant counterparty" is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC's total liabilities.

ii. A "Significant instrument/product" is defined as a single instrument/product of group of similar instruments/products which in aggregate amount to more than 1% of the NBFC's total liabilities.

iii. Total liabilities include all external liabilities (other than equity).

iv. "Public funds" includes funds raised either directly or indirectly through public deposits, inter-corporate deposits, bank finance and all funds received from outside sources such as funds raised by issue of commercial papers, debentures etc. but excludes funds raised by issue of instruments compulsorily convertible into equity shares within a period not exceeding 5 years from the date of issue.It includes total borrowings outstanding under all types of instruments/products.

v. Other short-term liabilities includes all short-term borrowings NCDs with original maturity less than 12 months

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50 **Disclosure as required under RBI notification no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13 March 2020 on Implementation of Indian Accounting Standards**

i. A comparison between provisions required under extant prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP) and impairment allowances made under Ind AS 109 for the year ended 31 March 2020

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	74,553.07	503.35	74,049.72	293.27	210.08
	Stage 2	4,233.04	63.15	4,169.89	87.11	(23.96)
Subtotal for standard		78,786.11	566.50	78,219.61	380.38	186.12
Non-Performing Assets (NPA)						
Substandard (A)	Stage 3	4,766.86	2,016.44	2,750.42	142.81	1,873.63
Doubtful - up to 1 year	Stage 3	384.07	191.97	192.10	274.05	(82.08)
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful (B)		384.07	191.97	192.10	274.05	(82.08)
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA (A+B)		5,150.93	2,208.41	2,942.52	416.86	1,791.55
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**	74,553.07	503.35	74,049.72	293.27	210.08
	Stage 2	4,233.04	63.15	4,169.89	87.11	(23.96)
	Stage 3	5,150.93	2,208.41	2,942.52	416.86	1,791.55
	Total	83,937.04	2,774.91	81,162.13	797.24	1,977.67

Since the total impairment allowances under Ind AS 109 is lower than the total provisioning required under IRACP (including standard asset provisioning) as at 31 March 2020 with respect to stage 2 assets, an amount equal to INR 23.96 lacs is required to be transferred to 'Impairment Reserve'. The gross carrying amount of asset as per Ind AS 109 and Loss allowances (Provisions) thereon includes interest accrual on net carrying value of stage - 3 assets as permitted under Ind AS 109. While, the provisions required as per IRACP norms does not include any such interest as interest accrual on NPAs is not permitted under IRACP norms.

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(All amounts are in INR lacs except share data and unless otherwise stated)

51 Operating segments

The CEO cum Whole time Director of the company constitute the Chief Operation Decision Maker ("CODM"). Operating segment are components of the Company whose operating results are regularly reviewed by the CODM to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

The Company is engaged primarily in the business of "Financing" only, taking into account the risks and returns, the organisation structure and internal reporting systems. All the operations of the Company are in India. All non-curret assets of the Company are located in India. Accordingly, there are no seperate reportable segments as per Ind AS 108 - "Operating Segments".

No revenue from transactions with a single customer amounted to 10% or more of the Company's total revenue for the year ended 31 March 2020 and 31 March 2019.

52 Revenue from contracts with customers

(a) Below table provides disaggregation of the Company's revenue from contracts with customers:

	As at 31 March 2020	As at 31 March 2019
Type of service		
Fees and commission income	752.32	537.47
Other income	-	0.33
Total	**752.32**	**537.80**
Geographical markets		
India	752.32	537.80
Outside India	-	-
Total	**752.32**	**537.80**
Timing of recognition of revenue		
Performance obligation satisfied at a point in time	752.32	537.80
Performance obligation satisfied over period of time	-	-
Total	**752.32**	**537.80**

53 Additional notes

a) C.I.F. value of imports of goods acquired for asset financing arrangements Nil (31 March 2019: Nil).
b) Earnings in foreign currency Nil (31 March 2019: Nil).
c) Expenditure in foreign currency on account of professional fees, travelling and others Nil (31 March 2019: Nil).
d) Dividend/interest remitted in foreign currency Nil (31 March 2019: Nil).

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54 Previous year's figure including those in brackets have been regrouped/rearranged wherever necessary.

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm registration No.: 101248W/ W-100022

Venkataramanan Vishwanath
Partner
Membership No.: 113156
Place : Mumbai
Date : 22 June 2020

For and on behalf of the Board of Directors of
Visage Holdings and Finance Private Limited

Hardika shah
Director and Chief Executive officer
DIN: 03562871
Place : Bangalore
Date : 22 June 2020

R.Thirunavukkarasu
Director
DIN: 06514712
Place : Bangalore
Date : 22 June 2020

Aiswarya Ravi
Chief Financial Officer
Place : Bangalore
Date : 22 June 2020

Moumita Sen
Company Secretary
Place : Bangalore
Date : 22 June 2020

Visage Holdings and Finance Private Limited
Bangalore