Annual Report FY23

INDEX

ASCENDING HORIZONS

Ascending Horizons encapsulates our journey of the last 12 years of scaling new heights as we doubled in size over the last year.

Retaining its position as the world's fastest-growing major economy, India's growth is unparalleled in the post-pandemic era. We recognize the privilege of shaping India's financial landscape, and we embrace the responsibility that comes with it.

Through this annual report, we invite you to witness the results of our unwavering pursuit of driving the financial inclusion of small business entrepreneurs in India.
We hope to inspire a legacy that resonates with inclusivity, empowerment, and transformative change in our local economies.

Ascending Horizons is a testament to our legacy in the making.

ABOUT KINARA CAPITAL

Kinara Capital is a fast-growing fintech with a mission to enable MSME financial inclusion in India.

We have democratized access to formal credit and can take a user from loan inquiry to loan disbursement within 24-hours with our multilingual myKinara App.

Headquartered in Bangalore, our 125 branches across 100+ cities provide last-mile service to MSMEs in 3,500+ pincodes in India. We have cumulatively disbursed to date nearly INR 5,000+ crores in collateral-free business loans to 59,350+ small business entrepreneurs in India with plans to double this year.

Founded in 2011 by Hardika Shah, Kinara is led by a women-majority management team. We are advancing gender parity within our organization, and with our customers with our HerVikas program for women entrepreneurs.

Qualified by the Reserve Bank of India (RBI) as a ‘Systemically Important Non-Banking Financial Company (NBFC)’, Kinara Capital is a debt-listed entity on the Bombay Stock Exchange (BSE).

OUR BELIEFS

OUR VISION

Kinara Capital envisions a financially inclusive world where every entrepreneur has equal access to capital.

OUR MISSION

Kinara Capital transforms lives, livelihoods, and local economies by providing fast and flexible loans without PROPERTY collateral to small business entrepreneurs in India.

OUR VALUES

IMPACT

We are here to support our customers in every way possible. Our customer's growth directly impacts our growth.

INTEGRITY

We are ethical. We think about the greater good and will not violate any law for personal growth.

INITIATE

We are self-starters.
We get things done now, not later.

INSPIRE

We are passionate about our purpose.
Our actions will encourage others to be authentic and transparent.

INCLUSIVE

We are one people. We do not discriminate on the basis of gender, religion, or any earthly description.

LETTER FROM OUR FOUNDER AND CEO

Dear All,

It is with great pride and immense gratitude that I present to you our Annual Report for the financial year of 2022-2023 (FY23). As we embark on our 12th year of operations, we are moving towards reaching a historic milestone of over USD $1 billion in disbursements in 2024.

The magnitude of financial inclusion at this scale has catalyzed a ripple effect in the local economies that we serve with new job creation, increased business turnover, and a higher incremental income generation for the small business entrepreneurs.

As we find ourselves excited about the opportunities that lie ahead, here is a summary of our accomplishments of the past year.

A Year of Unprecedented Growth

This was a momentous year for Kinara Capital, marked by growth, scale and impact. We ended FY23 with an AUM of INR 2,487 crores, an increase of 96%, compared y-o-y to the previous financial year. This year, we added 15 new branches bringing the total to 125 branches serving 100+ cities in India with an employee count of 1,548. We also delivered our 8th straight year of profitability at INR 41 crores, an 182% increase in profits compared to FY22.

New Equity, Diversified Liability and New Board Members

We successfully completed two tranches of primary equity fundraising this year. The initial round, which raised INR ~200 crores, was spearheaded by our new investors Nuveen and Triple Jump. This milestone led to the induction of 3 new Board Members: Rekha Unnithan, Stephen Lee, and Orsolya Farkas. British International Investment (BII) joined Nuveen and Triple Jump for a follow-on tranche of additional INR ~200 crores bringing the total equity raise to ~$50+M. And, as always, we are honored to have maintained the continued support of our other major equity investors, including Gaja Capital, GAWA Capital, Michael & Susan Dell Foundation (MSDF), and Patamar Capital.

Apart from raising equity, we raised INR 1030 crores in debt funding in FY23 and maintained a diversified risk profile with more than 40+ lenders. Having investors, lenders, and partners who are mission-aligned with Kinara Capital has made it possible for us to drive financial inclusion en masse, and we look forward to our continued alliance with our valued partners.

Expanding our Product Line and our Commitment to Women Entrepreneurs

In FY23, to meet the increasingly fast credit requirements of our MSME customers, we introduced our Short-Term Working Capital product and Bill Discounting line of credit product. Both products were first released for existing customers and then opened to all MSMEs. We also introduced Loan Against Property (LAP) for existing customers. Additionally, with our ongoing commitment to women entrepreneurs via our HerVikas program, we disbursed INR 296 crores to women-owned MSMEs, exceeding our pledge of INR 200 crores for the year. This led to a 164% increase of our HerVikas AUM, compared YoY to the previous financial year.

Technology Enhancements, Digital Sourcing, & Omnichannel Customer Service

As our customer base is becoming more tech-enabled, our multilingual myKinara App has led to new customer expansion with digital sourcing which accounts for ~10% of disbursements. We continued to invest in technology by delivering over 300+ enhancements and new functionality to improve operational efficiency and enhance our omni-channel customer experience. We continued to evolve our differentiated data science driven risk and automated loan decisioning as well as our collections models to improve its stability, strength and accuracy. We also launched our partnerships program working with operating companies and smaller NBFCs to expand our reach to other adjacent customer and geographic segments while managing costs and risks.

Our Plans for the Future

As we look to the future, we are filled with optimism and excitement for what lies ahead. By FY25, our goal is to reach an AUM of INR 6,500 crores. We aim to reach over 2,00,000 MSMEs across 100+ cities in India which will support over 1 million jobs in local economies, and lead to over INR 3,000 crores in incremental income generation for small business entrepreneurs.

Over the next financial year, we plan to nearly double in growth and expand our reach with addition of new branches, expansion of our products and partnerships and increased digital sourcing with a focus on reduction of operational expenditure and continuing improvement of portfolio performance. In Bangalore, we will expand our headquarters by adding one more building to our existing one. We aim to reach 2,000+ employee strength, disburse INR ~3000 crores and generate triple digit profits by the end of FY24.

Aiding our growth strategy is the culmination of rapid digitization in India with the country nearing a billion smartphone users, India Stack, and the overall economic growth with India maintaining its position as the world's fastest-growing major economy. With proven scalability and profitability, Kinara Capital and India are at the right juncture to drive vast financial inclusion.

The remarkable momentum Kinara Capital achieved over this past year is a testament to the dedication of Team Kinara, the trust of our stakeholders, and the transformative impact that we are making in the lives of small business entrepreneurs in India.

On behalf of the entire team at Kinara, I extend my heartfelt gratitude to each and every one of you for your unwavering commitment to our mission. Together, we will continue to drive growth, impact, and prosperity for MSME entrepreneurs in India for years to come.

Sincerely,

Hardika Shah
Founder & CEO

FY23 PERFORMANCE HIGHLIGHTS

96%
₹ 2,487
AUM

182%
₹ 41.2
TOTAL PROFIT

88%
₹ 303
NET INTEREST INCOME

72%
₹ 2,505
TOTAL ASSETS

137%
₹ 1,883
DISBURSEMENTS

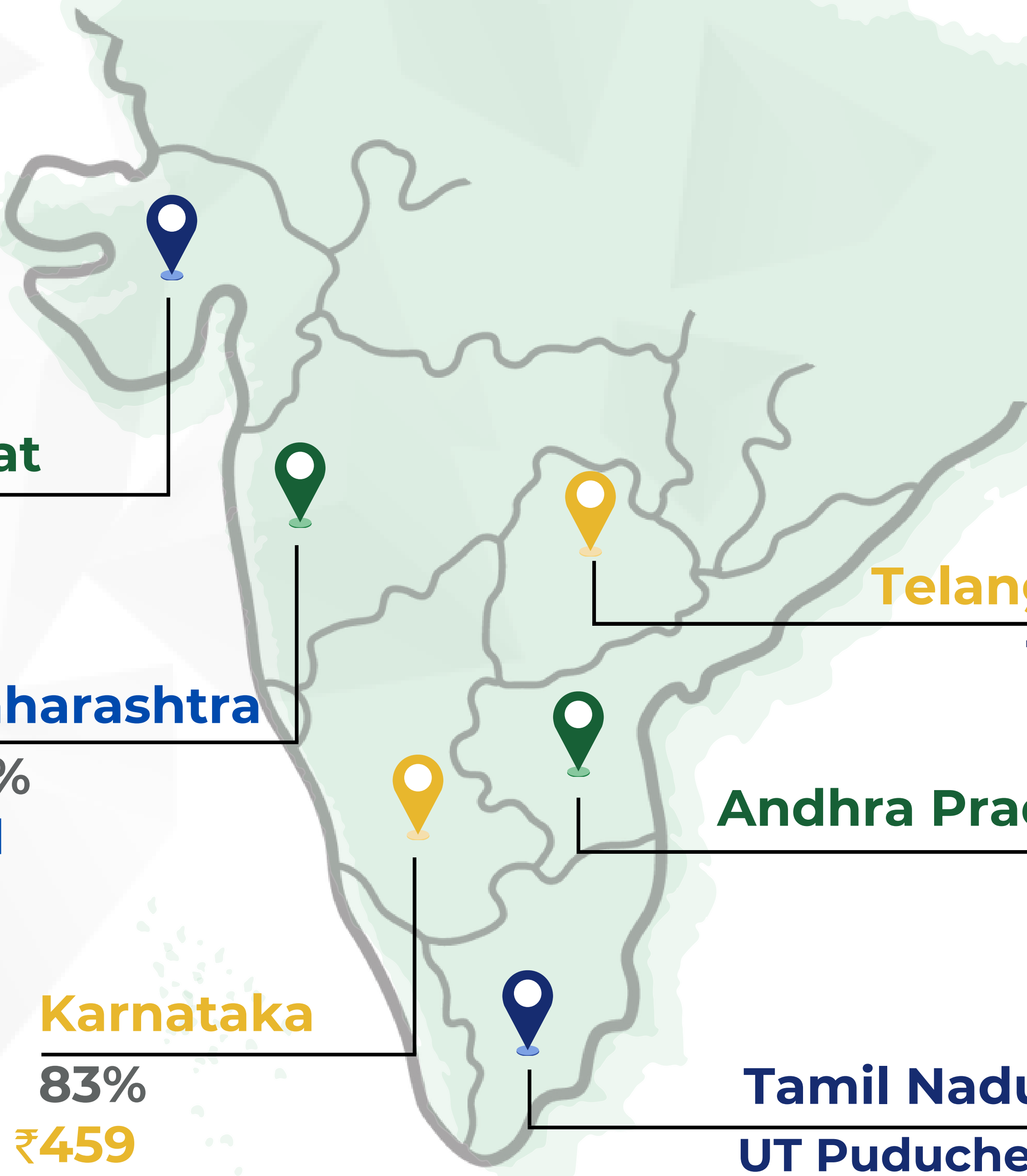
30%
32,987
TOTAL CUSTOMERS

164%
₹ 363
HERVIKAS AUM

162%
₹ 296
HERVIKAS DISBURSEMENTS

All amounts noted with ₹ are listed in crores in INR.
Percentages reflect YoY growth from FY22 to FY23

PERFORMANCE HIGHLIGHTS BY REGION



Gujarat
100%
₹120

Maharashtra
93%
₹371

Telangana
102%
₹164

Andhra Pradesh
110%
₹508

Karnataka
83%
₹459

Tamil Nadu & UT Puducherry
96%
₹ 865

All amounts noted with ₹ are listed in crores in INR currency.
Percentages reflect YoY growth from FY22 to FY23

OUR BRANCH LOCATIONS

Our doorstep customer service is enabled by our 1,000+ field officers who work across 125 branches serving MSMEs in 3,000+ pincodes across 100+ cities.

TAMIL NADU & UT PUDUCHERRY	KARNATAKA	ANDHRA PRADESH & TELANGANA	GUJARAT & MAHARASHTRA
1. Ambattur	1. Adarsh Nagar	1. Anantapur	1. Ambernath
2. Arappalayam	2. Belgaum	2. Bhavanipuram	2. Andheri
3. Attur	3. Bellary	3. Bhimavaram	3. Ankleshwar
4. Dindigul	4. Bidar	4. Dwaraka Nagar	4. Aurangabad
5. Erode	5. Bommasandra	5. Eluru	5. Bhavnagar
6. Grey Town	6. Davanagere	6. Gajuwaka	6. Boisar
7. Hosur	7. Dharwad	7. Guntur	7. Dapodi
8. Kanchipuram	8. Doddaballapura	8. Kakinada	8. Dombivli
9. Karur	9. Thalaghattapura	9. Karimnagar	9. Godhra
10. Kumbakonam	10. Hassan	10. Khammam	10. Ichalkaranji
11. Mayiladuthurai	11. Hospet	11. Kurnool	11. Jamnagar
12. Padi	12. KR Puram	12. LB Nagar	12. Kagal
13. Panrutti	13. Mysore	13. Madanapalle	13. Katraj
14. Perambur	14. Nagarabhavi	14. Nandyal	14. Kharadi
15. Pollachi	15. New Hubli	15. Narasaraopet	15. Kurla
16. Pondicherry	16. Peenya	16. Nellore	16. Mahape
17. Poonamallee	17. Raichur	17. Ponnur	17. Mehsana
18. Pudukkottai	18. Rajajinagar	18. Prashanth Nagar	18. Mira Bhayandar
19. Ranipet	19. Sankeshwar	19. Proddatur	19. Moshi
20. Sellur	20. Shivamogga	20. Rajahmundry	20. Nashik
21. Singanallur	21. Tumkur	21. Secunderabad	21. Odhav
22. Sivakasi	22. Vijayapura	22. Serilingampalli	22. Pandesara
23. Steel city	23. Yelahanka	23. Srikakulam	23. Panvel
24. Tambaram	24. Vijayanagara	24. Tirupati	24. Rajkot
25. Tenkasi	25. Mudhol	25. Tuni	25. Sangli
26. Thanjavur		26. Vijayawada	26. Satara
27. Tharamangalam		27. Vizainagaram	27. Shahibag
28. Theni		28. Warangal	28. Shiroli
29. Thillai Nagar			29. Solapur
30. Thoothukudi			30. Sonale
31. Tiruchengode			31. Thane
32. Tirunelveli			32. Vadodara
33. Tiruppur			33. Vapi
34. Vadapalani			34. Varachha
35. Vellore			35. Vasai
36. Virudhunagar			36. Vasind

CUSTOMER SPOTLIGHT

Geetha
Garuda Steel, Tamil Nadu

"Kinara Capital empowered me and elevated my position as a real business owner. We are now making a 20% profit of about INR 1 lakh per month. I am a proud HerVikas business woman."

Starting with a single-machine operation, Geetha struggled to get financing from traditional lenders until she found out about Kinara Capital. The strategic investment and opportunity to take a repeat loan has vastly improved operations, ability to purchase raw materials and expansion of workstaff by 5 members.

"With Kinara, my daily turnover increased by 200% and I grew my humble workforce from 5 to 15 workers. Kinara's enduring support has been a cornerstone of my entrepreneurial journey. "

Despite running a business for the last 15 years, Kumar faced challenges to get the right business loan solution that could help him scale his business. When he first met a representative from Kinara Capital, he could not believe how easy the process was and he was finally able to enhance his bakery's operations. He has taken multiple loans from Kinara Capital and this enables him to maintain a minimum stock of Rs. 5 lakhs which has led to efficient management of modulating his production based on the orders he receives.

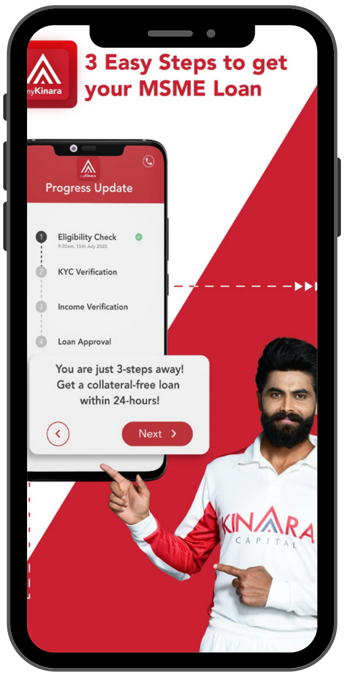
Kumar
TPK Bakery, Tamil Nadu

OUR BRAND AMBASSADOR & MYKINARA APP

We continued our association with star cricketer Ravindra Jadeja as our Brand Ambassador. As one of India's leading cricketers, Jadeja has brought much star power to the brand and to the promotion of our myKinara App, especially as we ramped up our digital marketing efforts in FY23.

1+ million

BRAND IMPRESSIONS



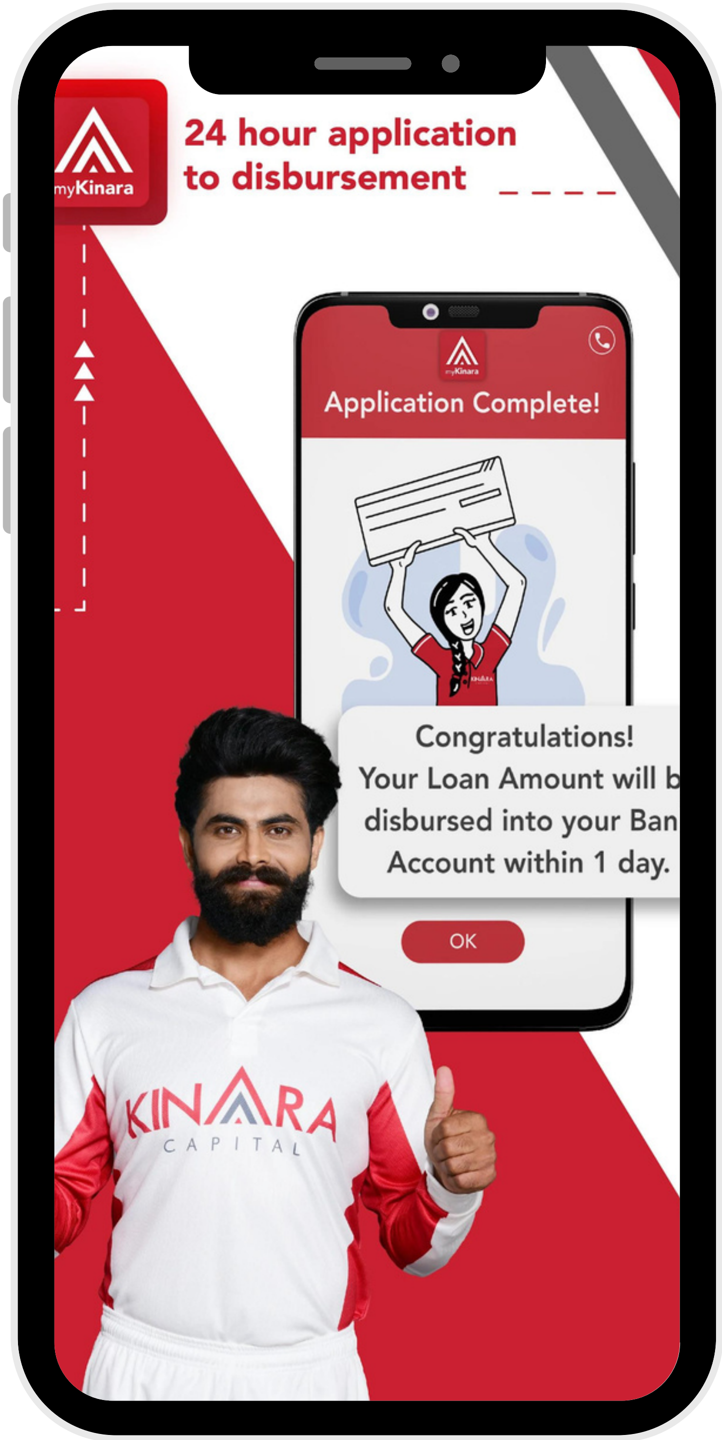
2,40,000+

APP DOWNLOADS

App download number is cumulative since launch

OUR RANGE OF FINANCIAL PRODUCTS

WE PROVIDE A VARIETY OF BUSINESS LOANS TO MSME ENTREPRENEURS



LONG-TERM WORKING CAPITAL

- Range: INR 1-30 lakhs
- Tenor: 12-60 months

SHORT-TERM WORKING CAPITAL

- Range: INR 50k-2 lakhs
- Tenor: 6-12 months

MACHINERY PURCHASE

- Range: INR 1-30 lakhs
- Tenor: 12-60 months

BILL DISCOUNTING

- Range: INR 1-30 lakhs
- Tenor: 12 months

LOAN AGAINST PROPERTY (LAP)

- Range: INR 1-30 lakhs
- Tenor: 12-72 months

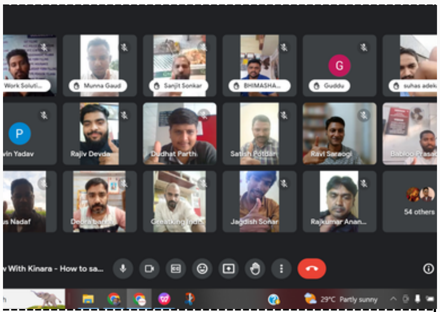
Interest Rates start at 24% for all Business Loans and at 16% for LAP

HerVikas

All women-owned MSMEs automatically receive an upfront discount on all loans

OUR NON-FINANCIAL SERVICE GROW WITH KINARA (GWK)

#GrowWithKinara



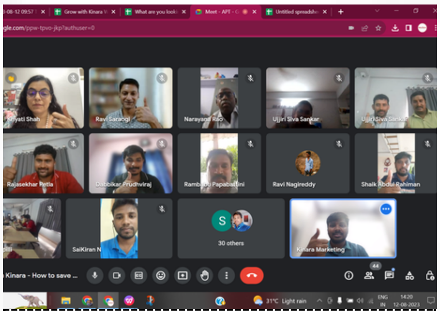
HINDI SESSION

3,500

Total Number of Customers who Attended GWK Sessions

120

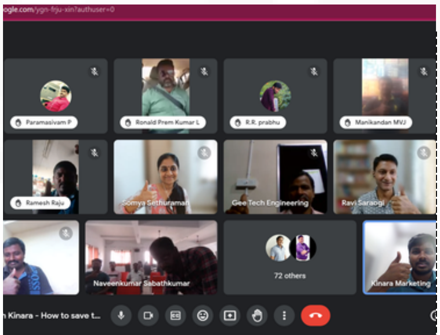
Total Number of virtual workshops conducted in multiple languages



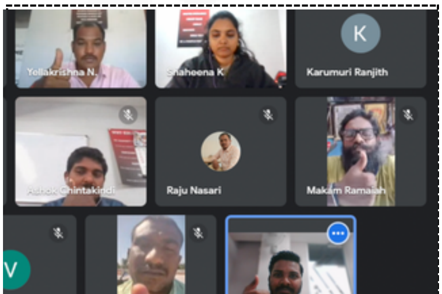
KANNADA SESSION

SOME OF THE TOPICS COVERED IN GWK SESSIONS:

- Learn about Income Tax (ITR)
- Registering your business on Google Maps/Google My Business
- Social Media Basics
- E-invoicing Introduction and Basics
- How MSMEs can become Exporters
- Benefits for MSME of GlobalMart
- Inventory management - Tips
- IID skill enhancement and incubation center for MSMEs
- Useful Government Portals for MSMEs
- Easy Sales/Product Poster Designing from Mobile Phone
- MSME ZED Certification for Energy Efficient MSMEs
- How to create Whatsapp product catalog



TAMIL SESSION



TELUGU SESSION

CUSTOMERS ATTENDING GWK FROM VARIOUS KINARA BRANCHES

CUSTOMER SPOTLIGHT

Renuka Suvarpu
Sri Lakshmi Steel Traders, Karnataka

"With HerVikas loan, I could maintain extra stock which led to a 50% increase in turnover, as our output has more than doubled. I was able to put my children in a good school and we have made our own home. Thank you, Kinara!"

Renuka Suvarpu embarked on an entrepreneurial journey by establishing a steel fabrication business. Initially relying on external vendors, she wanted to pivot to in-house production for better control. The hurdle of insufficient funds loomed and she sought family support in vain. She didn't think it was possible for her to get a formal business loan. A positive shift occurred when Renuka found Kinara Capital and swiftly received a discounted HerVikas loan of INR 5 lakhs.

"Kinara Capital is a ray of hope for young entrepreneurs like me. The timely support from Kinara has helped me grow my turnover from Rs. 5 lakhs to Rs. 7 lakhs."

Hemanth embarked on his entrepreneurial journey when he was around 18-20 years of age alongside his father. Though a hardworking and enthusiastic entrepreneur, owing to his young age, he was denied formal credit, until he reached out to Kinara Capital. With Kinara's support, he has been able to propel his business forward and his turnover surged by 40%.

Hemanth V
Hemanth V Silks, Karnataka

OUR ESG COMMITMENT

As a social impact organization, since our inception, Kinara Capital has always prioritized the well-being of our underserved entrepreneurs above all else. With the adoption of client protection practices and a focus on the societal impact outcomes of our work, we have led with a sustainable approach towards growing our organization. In addition, we are committed to gender parity and inclusivity, within our organization, with our customers, and with our community via our CSR program.

By creating alternative risk-assessment methodologies, we opened up access to formal credit without property collateral thus addressing the key hurdle faced by the majority of MSMEs in India. With a tech-enabled and digital approach deployed from the start, we have saved the equivalent of thousands of trees to date by removing the usage of paper, as lending inherently remains a very paper-intensive process.

The cumulative impact of our financial inclusion work to date has led to incremental income generation of over INR 700 crores and over 300,000 jobs supported in local economies in India. For FY23, we recorded an average 14% increase in Net Income by our customers, and a cumulative incremental income generation of INR 57 crores. Our last-mile financial inclusion led to sustaining 69,814 jobs and creating 10,984 new jobs. Of this, 7,264 new jobs went to first-time wage earners, 32% of which are women.

Financial Growth Highlights:

14%

Average Net Income Increase

INR 57 Cr

Cumulative Incremental Income

Job Impact:

69,814

Sustained Jobs

10,984

New Jobs Created

New Job Breakdown

7,264

First-Time Wage Earners

32%

Women Empowerment

ESG TRAINING GHG REPORTING

COMPANYWIDE ESG TRAINING

In FY23, we partnered with ESG consulting Envint to review and formalize our ESG-MS framework and related ESG policies and completed ESG training companywide. We conducted extensive ESG training in-person with all of the Leadership and Management teams. We furthered the training to all employees, across our headquarters in Bangalore and all branches. ESG module is now a part of our regular training for employees.

FY 23 GHG EMISSIONS REPORTING

In FY23, we reported Scope 1 & Scope 2 Greenhouse Gas (GHG) emissions of our Bangalore office, based on electricity and diesel usage in our headquarters.

In FY24, we plan to expand our GHG report, expand our ESG monitoring and reporting of our customers, and establish a plan to move towards Net Zero within this decade.

SCOPE 1 & 2
942.93
tCo2

ESG CERTIFICATIONS INTERNATIONAL STANDARDS

We are proud to be in compliance with a host of international ESG standards, hold key certifications, and are proud signatories of relevant ESG initiatives. Kinara Capital will continue to prioritize borrower and employee protection, workplace safety, and transparency.

We will always uphold ourselves to global ESG standards and lead with inclusivity and transparency as we continue on our mission of last-mile financial inclusion.

CERTIFICATIONS


SMART CAMPAIGN
CLIENT PROTECTION CERTIFICATION
Issue Date:
March 2021
Issued to:
KINARA CAPITAL
(Visage Holdings and Finance Private Limited)


MFR
SOCIAL RATING
The MFR Rating Committee assigns to
KINARA CAPITAL, India
(Visage Holdings and Finance Private Limited)
Grade: ^{s}A-
Good social performance management and client protection systems. Social mission likely to be achieved.
Milan, May 2021

INTERNATIONAL ESG STANDARDS

OUR CSR COMMITMENT CHILDREN OF INDIA (CIF)

This year marked our 3rd year of running our Corporate Social Responsibility (CSR) program aimed towards women micro-entrepreneurs. This year, we partnered with Children of India and PURE India Trust to run two programs in Karnataka and in Tamil Nadu, respectively.

Towards a healthy, safe & secured childhood
CHILDREN OF INDIA FOUNDATION

CHILDREN OF INDIA FOUNDATION (CIF)

TAMIL NADU

TOTAL NO OF WOMEN SUPPORTED

133

Tamil Nadu's Tiruppur and Krishnagiri districts received support to help women affected by the loss of an earning family member.

SKILLS TRAINING	EDP TRAINING	LAUNCH OF BUSINESS
61 women	**57 women**	**15 women**
Tailoring, Driving, Embroidery, Beautician & Bridal Mehndi, etc	Business Setup, Market Linkages, Financial Literacy, etc	Seed Capital received to launch their own business

OUR CSR COMMITMENT PURE INDIA TRUST

PUSHP-KIRAN UNION FOR REAL ENLIGHTENMENT (PURE INDIA TRUST)

TELANGANA

TOTAL NO. OF WOMEN SUPPORTED

55

New women microentrepreneurs emerged with seed capital and market linkages support to launch their own businesses in Hyderabad.

- Women have started micro-businesses such as tiffin centres, tailoring, vegetable shops, pico machines, grinders etc
- 25 Disabled Women supported, of which 3 received wheelchairs as part of business setup
- This project established new women entrepreneurs across 35 communities in Hyderabad.

EMPLOYEE DEMOGRAPHICS

OVERALL GROWTH OF EMPLOYEE STRENGTH

1,548

Total No. of Employees FY23

EMPLOYEE GENDER BREAKDOWN

82.9%

1,283 men employees

17.1%

264 women employees

0.1%

1 transgender employee

GENDER PARITY PROGRESS

38%

WOMEN IN LEADERSHIP

Majority women-led : The core leadership and management team consists of women.

2.1%

INCREASE IN WOMEN EMPLOYEES

FY23 shows 2.1% increase in women employee growth , compared to 15% from previous year in FY22

EMPLOYEE ENGAGEMENT

91%

Employee Favourability Score

600+

Number of Learning & Development (L&D) trainings conducted

AWARDS

KINARA CAPITAL WINS TWO 'BEST PLACES TO WORK IN INDIA 2022 AWARDS BY AMBITIONBOX, RANKED BY EMPLOYEE CHOICE

Based on organic employee ratings by third-party aggregator site

#2 BEST MID-SIZED COMPANY IN INDIA

#2 BEST INTERNET / PRODUCT COMPANY


#TeamKinara Pledge
IWD 2022 #BreakTheBias
I pledge to speak up when I see witness gender discrimination
#BreakTheBias
I will create an inclusive environment wherever I go
#BreakTheBias


KINARA CAPITAL

ANNUAL GENERAL MEETING (AGM) NOTICE

NOTICE

NOTICE IS HEREBY GIVEN THAT THE TWENTY SEVENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF KINARA CAPITAL PRIVATE LIMITED (FORMERLY KNOWN AS VISAGE HOLDINGS AND FINANCE PRIVATE LIMITED) WILL BE HELD ON THURSDAY, SEPTEMBER 28, 2023 AT 11:00 AM (IST) AT THE REGISTERED OFFICE OF THE COMPANY AT #50, 2ND FLOOR, HAL 2ND STAGE, 100 FEET ROAD, INDIRANAGAR, BENGALURU, KARNATAKA-560038 TO TRANSACT THE FOLLOWING BUSINESSES:

ORDINARY BUSINESS:

ITEM 1: To receive, consider and adopt the Audited Financial Statements of the company for the year ended March 31, 2023 including Balance Sheet as at March 31, 2023, Statement of Profit and Loss, Cash flow statement and Notes thereon, for the year ended on that date and the Reports of the Board and the Auditors thereon.

To consider and thought fit, to pass with or without modification(s), the following resolution as an ordinary resolution:

"RESOLVED THAT, the Audited Financial Statements of the Company comprising of Balance Sheet as at 31st March, 2023, Statement of Profit & Loss Account for the year ended on that date along with the Cash Flow Statement as at 31st March, 2023 and the Explanatory Notes annexed to, or forming part of any document referred above, along with the Auditor's Report thereon and the Directors' Report thereto be and are hereby received, considered and adopted by the members of the Company.

RESOLVED FURTHER THAT, any of the Directors of the Company or the Company Secretary of the Company be and are hereby authorized to file all the applicable forms required to be filed with the Registrar of Companies, Bengaluru, Karnataka and to do all such acts, deeds and things as may be deemed necessary, proper, or desirable for the purpose of giving effect to this resolution."

SPECIAL BUSINESS:

ITEM 2: To approve the Re-Appointment of Mr. Ravindra Pisharody as an Independent Director of the Company for a second term of five consecutive years.

To consider, and if thought fit, to pass with or without modification(s), the following resolution as Special Resolution:

"RESOLVED THAT, pursuant to provisions of the Section 149,150 and 152 and any other applicable provisions of the Companies Act 2013, if any and the Companies (Appointment and Qualifications of Directors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force, and basis the recommendation of the Nomination and Remuneration Committee and the Board of Directors, Mr. Ravindra Pisharody (having DIN 01875848), Independent Director of the Company, whose period of office is liable to expire on July 24, 2023 and who has submitted a declaration that he meets the criteria of independence under Section 149(6)of the Companies Act 2013 and who is eligible for re-appointment for a second term under the provisions of the Companies Act 2013 and rules made thereunder, be and is hereby reappointed as Independent Director of the Company with effect from 25th July 2023 and shall not be subject to retirement of rotation till the conclusion of Thirty First AGM.

RESOLVED FURTHER THAT, Ms. Hardika Shah, Director & CEO and Ms. Dimple J Shah, Company Secretary of the Company be and hereby authorized severally to do all such acts, deeds and things as may be deemed necessary for giving effect to this resolution."

By Order of the Board

Dimple J Shah
Company Secretary
ACS: A36349

Date: September 06, 2023
Place: Bangalore

Notes:

1. An explanatory Statement setting out material facts pursuant to Section 102 of the Companies Act, 2013 (the Act) with respect to items covered under special business of the notice is annexed hereto.

2. In terms of Section 105 of the Companies Act, 2013, a member of a Company entitled to attend and vote at the Annual General Meeting is entitled to appoint a person as a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Company.

3. Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the Company, a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.

4. Members/Proxies should fill out the attendance slip for attending the meeting and bring their attendance slips to the Meeting.

5. The instrument appointing the proxy (Form MGT 11) duly filled, in order to be effective, must be deposited at the registered office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of Companies, societies, etc., must be supported by an appropriate resolution/authority, as applicable. A person can act as a proxy on behalf of the members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a shareholder holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder. Form MGT 11 is annexed with this notice.

Every member entitled to vote at a meeting of the company, shall be entitled during the period beginning twenty-four hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, to inspect the proxies lodged, at any time during the business hours of the company, provided not less than three days' notice in writing of the intention so to inspect is given to the company.

6. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, Register of Contracts and arrangements in which Directors are interested maintained under Section 189 and all other relevant documents referred in this Notice and the Explanatory Statement shall be open for inspection by the Members at the registered office of the Company during the business hours on all working days from the date of sending of this AGM Notice up to the date of AGM

7. In terms of the requirements of the Secretarial Standard on General Meetings (SS-2) a route map of the venue of the AGM is enclosed.

8. Required Details of all the proposed Directors for appointment pursuant to the requirement of SS-2 and Companies Act, 2013 is annexed.

9. The Financial Statement for the financial year 2022-23 and Board Report thereon along with Notice of Annual General Meeting, attendance slip and proxy form shall be sent by (Email) to all the Members of the Company, who have registered their email id with the company. Aforesaid document shall also be available on the website of the Company. For any communication shareholders may send request to the Company’s email id cs@kinaracapital.com

10. Shareholders are requested to confirm their presence to the AGM and send any queries on connecting to the AGM or any other issue relating to meeting on cs@kinaracapital.com

Explanatory statement under section 102 of the Companies Act, 2013:

Item No.2

Mr. Ravindra Pisharody was appointed as an Independent Director for a period of 5 (Five) years effective 25th July 2018 till 24th July, 2023.

Considering the contribution of Mr. Ravindra Pisharody during his tenure as Independent Director, Nomination & Remuneration Committee and Board of Directors on July 25, 2023 had recommended his re-appointment as an Independent Director for another term of 5 years i.e., w.e.f. 25th July, 2023 till the conclusion of Thirty First AGM and the approval of members is sought for the same.

None of the Director's/ KMP's, except Mr. Ravindra Pisharody are interested in the proposed resolution.

By Order of the Board

Dimple J Shah
Company Secretary

Membership No. A36349

Date: September 06, 2023
Place: Bangalore

Annexure 1: Brief Profile of Director

ADDITIONAL INFORMATION OF DIRECTORS SEEKING APPOINTMENT
[Pursuant to Secretarial Standards on General Meetings (SS-2)]

Name of the Director	Ravindra Pisharody
DIN	01875848
Date of Birth	24/11/1955
Age	68
Date of First Appointment on the Board	25/07/2018
Relationship with Other Directors, Manager and Key Managerial Personnel	NA
Experience and Expertise in Specific Functional Area	38 years Corporate Executive experience include 7 years as an executive Director in 2 listed Companies in India. Has served for 3 years in Singapore
Qualification(s)	B.Tech & MBA
No. of Meetings of the Board attended during the Year 2022-23	5
Chairmanships/Memberships of Committees of the Board of Other Companies (includes only Audit Committee and Stakeholders' Relationship Committee)	i. Savita Oil Technologies Limited ii. Muthoot Finance Limited iii. Bonfiglioli Transmissions Private Limited iv. Savita Polymers Limited v. Happy Forgings Limited vi. Bonfiglioli Drive Solutions Private Limited vii. Savita Greentec Limited
Number of Equity Shares held in the Company as at March 31, 2023 Including Shareholding as a Beneficial Owner	Mr. Ravindra Pisharody is not holding any equity shares in the Company
Terms and Conditions of Appointment	As per the Appointment letter
Proposed Remuneration	As per the Appointment letter
Remuneration drawn during financial year 2022-23 excluding sitting fee	Mr. Ravindra Pisharody was not drawing any remuneration in the capacity of Director during the FY 2022-23

Form No. MGT-11
Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Corporate Identification Number	:	U74899KA1996PTC068587
Name of the company	:	Kinara Capital Private Limited (Formerly known as Visage Holdings and Finance Private Limited)
Registered office	:	#50, 2nd Floor, 100 Feet Road HAL 2nd Stage (Defence Colony), Indiranagar Bangalore Karnataka 560038 IN

Name of the member (s)	:	
Registered address	:	
E-mail Id	:	
Folio No/ Client ID	:	
DP ID	:	

I/We, being the member (s) of .... shares of the above-named company, hereby appoint

1.	Name	:	
	Address	:	
	E-mail ID	:	
	Signature	:	, or failing him

2.	Name	:	
	Address	:	
	E-mail ID	:	
	Signature	:	, or failing him

3.	Name	:	
	Address	:	
	E-mail ID	:	
	Signature	:	

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the company, to be held on the, ____________________________________ at the Registered Office of the Company situated at #50, 2nd Floor, 100 Feet Road HAL 2nd Stage (Defence Colony), Indiranagar ,Bangalore 560038, Karnataka, India and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No	**Particulars**	**Favor / against**
1	To receive, consider and adopt the Audited Financial Statements of the company for the year ended March 31, 2023 including Balance Sheet as at March 31, 2023, Statement of Profit and Loss, Cash flow statement and Notes thereon, for the year ended on that date and the Reports of the Board and the Auditors thereon	
2.	To approve the Re-Appointment of Mr. Ravindra Pisharody as an Independent Director of the Company for a second term of five consecutive years	

Signed this……..day of ________________

Signature of shareholder

Signature of Proxy holder(s)

Note:

This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

ATTENDANCE SLIP

Members or their proxies are requested to present this form for admission, duly signed in accordance with their specimen signatures registered with the Company.

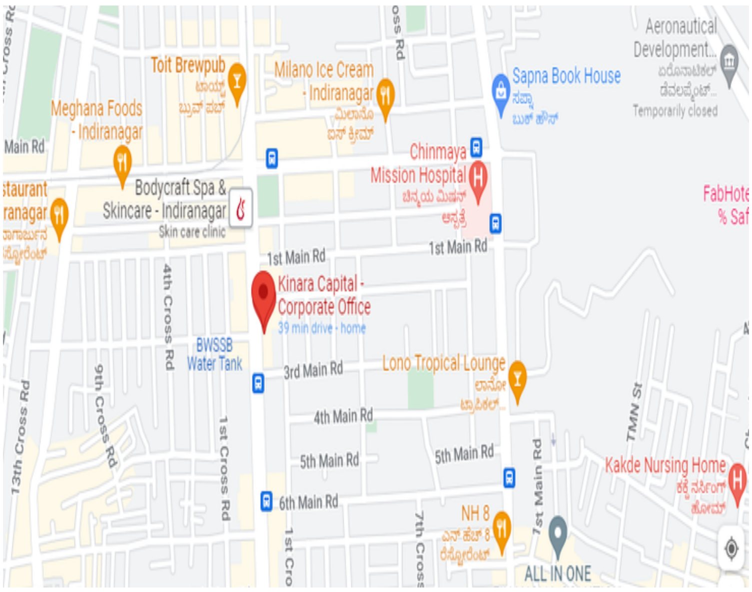
Regd. Folio. No/DP.Id/ Client id	
Name of shareholder:	
Address of shareholder:	
Proxy Name:	
Address of proxy:	

I/We hereby record my/our presence at the Annual General Meeting of the Company being held on the ____________________, at the registered office of the Company situated at #50, 2nd Floor, 100 Feet Road HAL 2nd Stage (Defence Colony), Indiranagar ,Bangalore 560038, Karnataka, India.

Please (✓) in the box
1. Member
2. Proxy
Signature of member/Proxy

Note: A member or his/her duly appointed proxy shall be allowed to attend the meeting. A member/proxy shall hand over duly filled and signed Admission Slip at the entrance

Route map for the Meeting



CUSTOMER SPOTLIGHT

Sunita Vishwakarma
Tanvi Ladies Tailor, Maharashtra

"Kinara's support helped me to invest in 4 new machines and also enabled me to create new employment opportunities for more women."

Starting as a thread-cutter working on the garment floor, Sunita never let go of the entrepreneurial dream that she had nurtured for years. After establishing a successful business, she sought to elevate her market presence by bolstering production. As a woman entrepreneur, she has created an inclusive workplace and allows flexible hours and remote work options for her employees, empowering livelihoods from home.

"As a young person in my 20s, no one would give me a loan but Kinara renewed my confidence and within a couple of years, my monthly turnover grew 6x to INR 18 lakhs."

Ashish was clear that he wanted to be an entrepreneur as soon as he finished his college education. Supported by his family, Ashish began his business with one retrofit machine in a modest 200-300 sq. ft. space but faced rejection as a young entrepreneur when he needed a business loan. Kinara's business loan enabled him to expand from 1 to 5 machines and grow his workspace to 800 sq. ft.

Ashish Ananda Khot
R K Industries, Maharashtra

OUR BOARD OF DIRECTORS

REKHA UNNITHAN
NUVEEN
Non-Executive, Nominee Director

Rekha Unnithan is the Co-head of Private Impact Investing at Nuveen. She played a key role in establishing TIAA's impact investing platform and now executes private equity impact investments. Rekha earned a B.A. in Economics from Yale University and an M.B.A. from New York University's Stern School of Business. She is a CFA charterholder and actively contributes to the impact investing community.

STEPHEN LEE
NUVEEN
Non-Executive, Nominee Director

Stephen Lee is the Director and Head of Asia in the Private Equity Impact Investing group at Nuveen. He oversees Nuveen's Impact Investing private equity program in Asia, focusing on India and Southeast Asia. He has 10+ years of experience in PE investment. Stephen holds a B.A. in economics from the University of Pennsylvania, an MBA from Georgetown University's McDonough School of Business, and an M.S. from Georgetown University's Edmund A. Walsh School of Foreign Service.

ORSOLYA FARKAS
TRIPLE JUMP
Non-Executive, Nominee Director

Orsolya Farkas heads the Financial Institutions Equity team at Triple Jump, a Dutch impact-focused investment manager with 15+ years in PE investment. She oversees Triple Jump's private equity portfolio in financial inclusion globally. She holds a Master's Degree in Public Affairs and Development Studies from Princeton University and a B.A. in Business from the University of New Hampshire.

GEOFF “CHESTER” WOOLLEY
PATAMAR CAPITAL
Non-Executive, Nominee Director

Geoff “Chester” Woolley is the Co-Founder and Partner of Patamar Capital. He has been active in venture capital investing for over 30 years, managing more than $2 billion in investment capital as the founder of successful venture funds in the United States, Europe, and Asia. Geoff holds a B.S. in Business Management from Brigham Young University and an MBA from the University of Utah.

RANJIT SHAH
GAJA CAPITAL
Non-Executive, Nominee Director

Ranjit Shah is the Co-founder and Managing Partner of Gaja Capital. He oversees Gaja Capital, a leading PE investment company with a mid-market focus. He brings 36+ years of experience in consulting, financial services, and PE. Ranjit holds an MBA from The Ross School of Business, University of Michigan, Ann Arbor, and a B.Tech. degree in Electrical Engineering from IIT Bombay.

AGUSTIN VITORICA
GAWA CAPITAL
Non-Executive, Nominee Director

Agustín Vitórica is the Co-founder and the Co-CEO of GAWA Capital. He oversees Spain's leading impact investing arm, with over 20 years of experience in venture capital and private equity investments. Agustín holds a Business Administration degree from Centro Universitario Villanueva and an MBA from the Kellogg School of Management.

BHAVNA THAKUR

Independent Director

Bhavna Thakur is Head of Capital Markets and Exits for Everstone Capital Advisors. She has over 20 years of experience in corporate finance, investment banking, M&A, and capital markets. Bhavna holds a BA LLB (Honors) from the National Law School of India, and a Masters in Law from Columbia University.

SUNIL GULATI

Independent Director

Sunil Gulati is the Chairman of Merisis Advisors, a boutique investment bank. He has 30+ years of experience in the banking industry, and serves as an Independent Director on the Boards of Varthana Finance, CoinTribe Technologies, and Empays Payment Services. Sunil holds a B.Tech in Electrical Engg/Computer Science from IIT Delhi (1982) and is an MBA from IIM Ahmedabad.

RAVI PISHARODY

Independent Director

Ravi Pisharody is a seasoned corporate business leader with over 35 years of experience in diverse industries. He currently serves as a Non-Executive Director on the Boards of 3 companies and is an advisor to 2 others. Ravi holds a graduate engineering degree from IIT Kharagpur and an MBA from IIM Calcutta.

HARDIKA SHAH
KINARA CAPITAL

Executive, Board Director

Hardika Shah is the Founder & CEO of Kinara Capital. Under her leadership, Kinara has disbursed over INR 5,000 crores and is globally recognized for driving vast financial inclusion of India's small business entrepreneurs. Prior to launching Kinara Capital, she spent nearly 20 years in Management Consulting with Accenture working across USA, EU and Asia-Pacific. Hardika holds a B.A. in Computer Science from Knox College and earned her MBA from a joint program with Columbia Business School and UC Berkeley's Haas School of Business.

THIRUNAVUKKARASU (THIRU R)
KINARA CAPITAL

Executive, Board Director

Thirunavukkarasu R (Thiru R) is the COO of Kinara Capital. He oversees the company's operations spanning Sales, Credit, Legal & Collections, Business Operations, and Customer Care. He has more than 22 years of experience in the financial services industry, driving micro and MSME financing. Thiru earned his B.E. (Agriculture) from Tamil Nadu Agricultural University (TNAU) in Coimbatore. He recently completed on-campus executive education program on 'Strategic Leadership in Inclusive Finance' at Harvard University.

BOARD'S REPORT

Dear Members,

The Board of Directors of Kinara Capital Private Limited (formerly known as Visage Holdings and Finance Private Limited) ("your Company" or "the Company") is pleased to present the Twenty Seventh Directors' Report along with the Audited Financial Statements of your Company for the Financial Year ended March 31, 2023.

FINANCIAL SUMMARY AND HIGHLIGHTS:

The Financial Statements of the Company for the year ended March 31, 2023, have been prepared in accordance with Indian Accounting Standards notified under Section 133 and Schedule III to the Companies Act 2013. The highlights of the Financial Statements of the Company for the Financial Years 2022-23 and 2021-2022 are as under:

INR in lakhs

Particulars	Year Ended 31-03-2023	Year Ended 31-03-2022
Revenue from operations	49,138.22	28,500.68
Other income	25.10	87.03
Total Income	49,163.32	28,587.71
Employee Benefit Expenses	10,358.64	6,571.70
Finance Costs	18,268.08	11,691.42
Depreciation, amortization & impairment	872.26	629.09
Impairment of financial instruments	9,165.19	3,884.68
Other Expenses	5,084.21	3,939.91
Total Expenses	43,748.38	26,716.80
Profit/ Loss before Tax	5,414.94	1,870.91
Tax Expenses	1,295.80	411.72
Profit of the year after Tax	4,119.14	1,459.19
Total Comprehensive Income	3,875.76	1,390.40
Transfer to Reserves	823.83	291.84
Less: Dividend paid on Equity Shares	-	-
Less: Dividend paid on Preference Shares	-	-
Less: Dividend Distribution Tax	-	-
Balance carried forward	3,051.93	1,098.56

The company has a diversified portfolio of lenders across sectors and segments. During the year under review the Company has obtained funding lines from various banks and NBFCs in the form of term loans and external commercial borrowings. 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 been duly servicing its debt obligations, maintains a healthy capital adequacy ratio and has adequate capital and financial resources to run its business. Further, the Company's ALM has always been positive on a cumulative basis across all maturity buckets ensuring that there are no difficulties in meeting obligations.

Below is a representation of Stage 3 and PAR numbers:

Reconciliation between Stage 3 assets and Portfolio at Risk account wise (90+ Bucket)	As at 31 March 2023	As at 31 March 2022
Stage 3 assets as at	9,313.08	8,760.15
Adjustment required as per Ind AS 109	634.45	(1,427.48)
Significant increase in credit risk trigger of borrowers due to restructures	(1,068.87)	(688.48)
Borrowers classified as NPA vide RBI/2021-2022/125 DOR.STR.REC.68/21.04.048/2021-22	(219.26)	
Borrowers with other loans in 90+ Bucket	(604.59)	(634.51)
CGTMSE and ECLGS Claim received	126.61	777.56
Portfolio at Risk account wise (90+ Bucket) *	**8,181.42**	**6,787.24**

*Portfolio at Risk account wise (90+ Bucket) represents principal outstanding on the accounts that are more than 90 days past due.

During the Financial Year 2022-23, the Company has disbursed INR 1,88,291.41 lakhs as compared to INR 79,293.62 lakhs in previous year. The Company has grown its Assets Under Management ("AUM") from INR 1,26,784.17 lakhs in March, 2022 to INR 2,48,731.14 lakhs in March, 2023. The net worth increased from INR 24,530.68 lakhs as on 31 March 2022 to INR 68,355.08 lakhs as on 31 March 2023 and total comprehensive income increased from INR 1,390.40 lakhs for the year ended 31 March 2022 to INR 3,875.76 lakhs for the year ended 31 March 2023.

TRANSFER TO RESERVES:

During the year under review, the Company has transferred INR 823.83 lakhs to reserves created as per the norms laid down under Section 45- IC of the Reserve Bank of India Act, 1934

In terms of the requirement as per 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, Non-Banking Financial Companies (NBFCs) are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109 and Income Recognition, Asset Classification and Provisioning (IRACP) norms (including provision on standard assets). The impairment allowances under Ind AS 109 made by the Company exceeds the total provision required under IRACP (including standard asset provisioning) as at 31 March, 2023 and accordingly, no amount is required to be transferred to impairment reserve.

DIVIDENDS:

In order to augment the capital requirements for supporting the growth of business of the Company, through retention of internal accruals, the Board of Directors has not recommended any dividend on Equity Shares for the Financial Year 2022-23.

DEPOSITS:

The Company is registered with Reserve Bank of India (RBI) as Non-Deposit Accepting NBFC under Section 45-IA of the RBI Act, 1934 and is classified as NBFC-ICC. The Company has not accepted any deposits for the Financial Year ended 31st March, 2023 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.

RBI GUIDELINES:

The Company continues to be a Systemically Important Non-Deposit taking NBFC with assets size of INR 2,50,463.71 lakhs as on 31 March, 2023. The Company has been following 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 43(iii) to accounts that enables market participants to make an informed judgement about the soundness of its liquidity risk management framework and liquidity position.

CAPITAL ADEQUACY:

As on 31st March, 2023, the Capital Adequacy Ratio of the Company stood at 32.02% which is higher than the minimum requirements of 15% CRAR stipulated by the Reserve Bank of India.

Major Events that Occurred During the Year

State of Company's Affairs

a) Segment-wise position of business and its operations: The Company is primarily engaged in the business of financing which is considered to be the only reportable business segment as per Ind AS 108, Operating Segments. The Company operates in Republic of India and there are no other geographical segments.

b) Change in nature of the business: There was no change in the nature of the business of the Company for the entire year under review.

c) Change in the Name of the Company: Name of the Company was changed from Visage Holdings and Finance Private Limited to "Kinara Capital Private Limited" as approved by Ministry of Corporate Affairs ("MCA") on May 08, 2023 and from Reserve Bank of India ("RBI") on June 13, 2023.

c) Key business developments: There were no key business developments during the period under review.

d) Change in the financial year: There was no change in the Financial Year of the Company in the entire year under review.

e) Capital expenditure programs: During the year under review, the Company has spent INR 307.80 lakhs on growth capex, which includes INR 106.56 lakhs on Information Technology (hardware and software). This has been incurred to increase the operational efficiency of the Company.

f) Details and Status of Acquisition, Merger, Expansion, Modernization and Diversification: Nil

g) Developments, Acquisition, and Assignment of material Intellectual Property Rights: There were no Developments, Acquisitions and Assignments of material Intellectual Property Rights during the entire year under review.

h) Any other material event having an impact on the affairs of the Company: Nil

i) Details of Revision of Financial Statement or the Report: During the year, the Company has not revised its financial statements or the Report in respect of any of the three preceding financial years either voluntarily or pursuant to the order of judicial authority

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:

There are no material changes and commitments affecting the financial position of the Company, which occurred between the end of the financial year of the Company i.e. March 31, 2023 and the date of the Directors' Report.

SHARE CAPITAL:

i. Authorised Share Capital:

Pursuant to the Extraordinary General Meeting dated September 05, 2022 the Authorized Share Capital of the Company was increased from INR 11,32,98,390 (Indian Rupees Eleven crores Thirty-Two lakhs Ninety Eight Thousand Three Hundred and Ninety only) divided into 3,00,000 (Three lakhs) Class A Equity Shares of Rs.10/- each and 1,10,29,839 (Indian Rupees One crores Ten lakhs Twenty Nine Thousand Eight Hundred and Thirty Nine) Class A1 Equity Shares of Rs.10/- each to INR 14,17,00,000 (Indian Rupees Fourteen crores Seventeen lakhs only) divided into 3,00,000 (Three lakhs) Class A Equity Shares of INR 10/- (Indian Rupees Ten only) each and 1,38,70,000 (One Crore Thirty-Eight lakhs Seventy Thousand) Class A1 Equity Shares of INR 10/- (Indian Rupees Ten only) each by creation of additional 2,84,01,610 (Two crores Eighty Four lakhs One Thousand Six Hundred and Ten) Class A1 Equity Shares of INR 10/- each.

ii. Issued, Subscribed & Paid-up Share Capital:

During the year, pursuant to the approval of Board of Directors on 19 April 2022, the Company has allotted 23,37,717 Class A1 equity shares of face value INR 10 to Nuveen Global Impact Fund India S.À R.L for a total investment of (including premium) INR 15,013.52 lakhs (approx.) and 9,03,103 Class A1 equity shares of face value INR 10 to Pettelaar Effectenbewaarbedrijf N.V. (acting in its capacity as a legal owner of ASN Microkredietpool, represented by Triple Jump B.V.) for a total investment of (including premium) INR 5,800.00 lakhs (approx.). The Board also approved allotment of 1,77,419 Class A1 equity shares of face value INR 10 to Visage Trust on 19 April 2022.

The Company on 29 August 2022 issued 1,02,326 equity shares of Rs. 10/- each to Ms. Hardika Shah (Director and Chief Executive Officer) by way of conversion of 1,971 unsecured Compulsory Convertible Debentures (CCDs). These equity shares shall rank pari passu with the existing Class A1 Equity Shares of Rs. 10/- each.

Pursuant to the approval of Board of Directors on 28 September 2022, the Company has allotted 9,62,097 Class A1 equity shares of face value INR 10 to Nuveen Global Impact Fund India S.À R.L for a total investment of (including premium) INR 7,061.60 lakhs (approx.) 4,09,412 Class A1 equity shares of face value INR 10 to Pettelaar Effectenbewaarbedrijf N.V. (acting in its capacity as a legal owner of ASN Microkredietpool, represented by TripleJump B.V.) for a total investment of (including premium) INR 3,005.00 lakhs (approx.) and 13,21,562 Class A1 equity shares of face value INR 10 to British International Investment plc for a total investment of (including premium) INR 9,700.00 lakhs (approx.) . The Board also approved allotment of 1,41,741 Class A1 equity shares of face value INR 10 to Visage Trust on 28 September 2022.

iii. Details of Employees Stock Option Scheme [Rule 12 (9) of the Companies (Share Capital and Debentures) Rules, 2014] for the year 2022-2023:

The Company instituted the Visage Employee Stock Option Plan (ESOP 2017) in 2017, Visage Employee Stock Option Plan (ESOP 2014) in 2014 and Visage Stock Option Plan (SOP 2014) in 2014, which were approved bythe Board of Directors and the shareholders of the Company.The Company provided for the creation and issue of 3,00,527 options under ESOP 2017, 62,592 options under ESOP 2014 and 1,85,200 options under SOP 2014, that would eventually convert into equity shares of INR10/- 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.

Sl. Nos.	Particulars	ESOP 2014	ESOP 2017	SOP 2014
1	(a) options granted	NIL	1,51,692	16,000
2	(b) options vested	NIL	22,429	NIL
3	(c) options exercised	NIL	NIL	NIL
4	(d) the total number of shares arising as a result of exercise of option	NIL	NIL	NIL
5	(e) options lapsed	NIL	NIL	NIL
6	(f) the exercise price	INR 11/-	INR 415.56/-, 519.03/-, 642.23/-, 733.98/-	INR 642.23/-
7	(g) variation of terms of options	NA	NA	NA
8	(h) money realized by exercise of options	NIL	NIL	NIL
9	(i) total number of options in force	62,592	2,67,938	1,50,258
10	**(j) employee wise details of options granted during the period.**			
10.1	(i) Key Managerial Personnel Aiswarya Ravi Thirunavukkarasu R	NIL	 44,000 20,000	NIL
10.2	(ii) 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	Tavamani Gracy J 13,800 Anuradha Nataraj 16,000 Cecilia Rosita Juliet D'Silva 9,000 Mayank Arora 9,000 Tushar Cherian 8,550	Khyati Shah - 16,000
10.3	(iii) identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.	NIL	NIL	NIL

iv. Issue of Non-Convertible Debentures:

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

Name of Instrument	Date of Allotment	Number of Debentures	Method of Issue	Issue Price	Coupon Rate	Maturity Date	Amount of Debentures
Debt Instrument Series 1-30,56,132	25-04-2022	30,56,132	Private Placement Basis	INR 100 (Indian Rupees One Hundred Only)	13%	08-12-2025	INR 30,56,13,200 (Indian Rupees Thirty crores Fifty-Six lakhs Thirteen Thousand and Two Hundred Only)
Debt Instrument Series 1-240	20-05-2022	240	Private Placement Basis	INR 10,00,000 (Indian Rupees Ten lakhs Only)	11.86%	20-05-2025	INR 24,00,00,000 (Indian Rupees Twenty-Four crores Only)

Name of Instrument	Date of Allotment	Number of Debentures	Method of Issue	Issue Price	Coupon Rate	Maturity Date	Amount of Debentures
Debt Instrument Series 1-7,859	10-08-2022	7,859	Private Placement Basis	INR 1,00,000 (Indian Rupees One Lakh Only)	11.88%	10-08-2025	INR 78,59,00,000 (Indian Rupees Seventy-Eight Crore Fifty-Nine Lakh Only)
Debt Instrument Series 1-6,952	07-09-2022	6,952	Private Placement Basis	INR 1,00,000 (Indian Rupees One Lakh Only)	11.75%	07-03-2028	INR 69,52,00,000 (Indian Rupees Sixty-Nine Crore Fifty-Two Lakh Only)
Debt Instrument Series 1-41,33,000	28-12-2022	41,33,000	Private Placement Basis	INR 100 (Indian Rupees One Hundred Only)	13%	04-12-2026	INR 41,33,00,000 (Indian Rupees Forty-One crores Thirty-Three lakhs Only)
Debt Instrument Series 1-750	06-01-2023	750	Private Placement Basis	INR 1,00,000 (Indian Rupees One Lakh Only)	13.50%	06-04-2024	INR 7,50,00,000 (Indian Rupees Seven crores and Fifty lakhs only)
Debt Instrument Series 1-750	06-01-2023	750	Private Placement Basis	INR 1,00,000 (Indian Rupees One Lakh Only)	13.50%	06-04-2025	INR 7,50,00,000 (Indian Rupees Seven crores and Fifty lakhs only)
Debt Instrument Series 1-1,500	06-01-2023	1,500	Private Placement Basis	INR 1,00,000 (Indian Rupees One Lakh Only)	13.50%	06-04-2026	INR 15,00,00,000 (Indian Rupees Fifteen crores only)
Debt Instrument Series 1-200	13-01-2023	200	Private Placement Basis	INR 10,00,000 (Indian Rupees Ten lakhs Only)	13.50%	31-03-2026	INR 20,00,00,000 (Indian Rupees Twenty crores only)

v. Restructuring of Debentures

During the year under review, there were no restructuring of debentures.

vi. 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
12% Visage Holdings and Finance private Limited 2021	16-04-2021	16-04-2021	4,91,250	INR 1000/- (Indian Rupees One Thousand)	12%	26-05-2022	05-05-2022	INR 49,12,50,000 (Indian Rupees Forty-Nine crores Twelve lakhs Fifty Thousand Only)
13.09% Visage Holdings and Finance Private Limited 2019	27-06-2019 (Series A) and 04-07-2019 (Series B)	27-06-2019 (Series A) and 04-07-2019 (Series B)	3,200	INR 1,00,000 (Indian Rupees One lakh Only)	13.09%	20-07-2022	04-07-2022	INR 32,00,00,000 (Indian Rupees Thirty-Two crores Only)
16.90% Visage Holdings and Finance Private Limited 2016	21-09-2016	21-09-2016	120	INR 10,00,000 (Indian Rupees Ten lakh Only)	16.90%	31-11-2022	20-09-2022	INR 12,00,00,000 (Indian Rupees Twelve crores Only)
15.20% Visage Holdings and Finance Private Limited 2019	24-01-2019	24-01-2019	75	INR 10,00,000 (Indian Rupees Ten lakh Only)	15.20%	01-12-2022	12-10-2022	INR 7,50,00,000 (Indian Rupees Seven crores Fifty lakhs Only)
15.20% Visage Holdings and Finance Private Limited 2019	25-02-2019	25-02-2019	75	INR 10,00,000 (Indian Rupees Ten lakh Only)	15.20%	01-12-2022	12-10-2022	INR 7,50,00,000 (Indian Rupees Seven crores Fifty lakhs Only)
11.75% Visage Holdings and Finance Private Limited 2022	04-02-2022	04-02-2022	1,00,000	INR 10,000/- (Indian Rupees Ten Thousand)	11.75%	17-02-2023	07-02-2023	INR 50,00,000 (Indian Fifty lakhs Only)
12.50% Visage Holdings and Finance Private Limited 2018	22-02-2018	22-02-2018	320	INR 10,00,000 (Indian Rupees Ten lakh Only)	12.0605%	14-03-2023	21-02-2023	INR 32,00,00,000 (Indian Rupees Thirty-Two crores Only)

vii. Issue of Commercial Papers:

During the year under review, the Company has not issued and allotted Commercial Papers.

viii. Redemption of Commercial Papers:

During the year under review, the Company had redeemed Commercial Papers as disclosed below:

Name of Instrument	Date of Issue	No. of Commercial papers	Issue Price	Coupon Rate	Date of Redemption	Amount of Commercial Papers
Commercial Paper	17-11-2021	200	INR 5,00,000 (Indian Rupees Five lakhs Only)	13.60%	18-05-2022	10,00,00,000 (Indian Rupees Ten crores only)

CREDIT RATING:

During the Financial Year 2022-23, our improved credit profile led to strengthening in Credit Rating across all Rating Agencies. CARE Edge Ratings (CARE) upgraded the outlook by two notches during the year from BBB (Negative) to BBB (Positive). ICRA Limited upgraded rating from BBB-(Negative) to BBB (Stable). In addition, we also obtained a new rating of BBB+ by India Ratings (Fitch).

The credit rating of all the securities (debt and Commercial paper) as on 31st March, 2023 are as follows:

Sl. Nos.	Name of Instrument	Name of Rating Agency	Date of Rating
1	Debt Instruments Series 1-320	[ICRA] BBB (Stable)	28-09-2022
2	Debt Instrument Series 1-7500000	CARE BBB (Positive)	27-06-2022
3	Debt Instrument Series-1-10000000	CARE BBB (Positive)	31-03-2023
4	Debt Instrument Series-01-600	CARE BBB (Positive)	31-03-2023
5	Debt Instrument Series-1-5000000	CARE BBB (Positive)	31-03-2023
6	Debt Instrument Series 1-370	CARE BBB (Positive)	31-03-2023
7	Visage Holdings and Finance Private Limited 176D CP 18MAY22	ICRA A3+	28-09-2022
8	Debt Instruments Series 1-320	[ICRA] BBB (Stable)	28-09-2022
9	Debt Instrument Series 1-6952	[ICRA] BBB (Stable)	28-09-2022
10	Debt Instrument Series 1-160	CARE BBB (Positive)	31-03-2023
11	Debt Instrument Series 1-200	CARE BBB (Positive)	31-03-2023
12	Debt Instrument Series 1-1,00,000	CARE BBB (Positive)	31-03-2023
13	Debt Instrument Series 1-4750	CARE BBB (Positive)	31-03-2023
14	Debt Instrument Series 1-53,08,450	CARE BBB (Positive)	31-03-2023
15	Debt Instrument Series 1-370	CARE BBB (Positive)	31-03-2023
16	Debt Instrument Series 1-600	CARE BBB (Positive)	31-03-2023
17	Debt Instrument Series 1-240	CARE BBB (Positive)	31-03-2023
18	Debt Instrument Series 1-30,56,130	CARE BBB (Positive)	31-03-2023
19	Debt Instrument Series 1-200	IND BBB+/Stable	22-02-2023
20	Debt Instrument Series 1-75	IND PP-MLD BBB+/Stable	22-02-2023
21	Debt Instrument Series 1-75	IND PP-MLD BBB+/Stable	22-02-2023
22	Debt Instrument Series 1-150	IND PP-MLD BBB+/Stable	22-02-2023

MANAGEMENT DISCUSSION AND ANALYSIS

In accordance with the applicable provisions of the Master Direction issued by the Reserve Bank of India, a detailed analysis of the Company's performance is discussed in the Management Discussion and Analysis Report, which forms part of this Annual Report as Annexure IV.

CODE OF CONDUCT, TRANSPARENCY & CLIENT PROTECTION

The Company has fully implemented the Reserve Bank of India's Fair Practice Code.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board of Directors of your Company is having an optimum combination of two Executive Directors, three Independent Directors and Six Nominee Director. The current composition of the Board of Directors is as below:

Sl No.	Name of Director	Designation & Category
1	Hardika Shah	Director & CEO
2	Thirunavukkarasu Rajendran	Director & COO
3	Sunil Satyapal Gulati	Independent Director
4	Bhavna Thakur	Independent Director
5	Ravindra Pisharody	Independent Director
6	Geoffrey T Woolley	Nominee Director
7	Agustin Vitorica	Nominee Director
8	Ranjit Shah	Nominee Director
9	Stephen Lee	Nominee Director
10	Rekha Unnithan	Nominee Director
11	Orsolya Farkas	Nominee Director

During the year under review, Mr. Rahil Rangwala has resigned from Board of Directors with effect from September 27, 2022 and Ms. Rekha Unnithan and Mr. Stephen Lee were appointed as directors with effect from October 31, 2022 and Ms. Orsolya Farkas was appointed as director with effect from November 21, 2022.

Key Managerial Personnel:

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company as on March 31, 2023 are:

Sl No.	Name of the KMP	Designation & Category
1	Hardika Shah	Director & CEO
2	Thirunavukkarasu Rajendran	Director & COO
3	Aiswarya Ravi	Chief Financial Officer
4	Sutheja K J*	Company Secretary

*Mr. Sutheja K. J, resigned as the Company Secretary with effect from April 12, 2023, and Ms. Kanti Hegde was appointed as the Company Secretary with effect from April 28, 2023.

DECLARATION BY INDEPENDENT DIRECTORS

Pursuant to the provisions of Section of 149 of the Act, the Independent Directors have submitted declarations that each of them meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Qualification of Directors), Rules 2014. During the year 2022-23, there has been no change in the circumstances affecting their status as Independent Directors of the Company.

SEPARATE MEETING OF INDEPENDENT DIRECTORS

Pursuant to Clause VII (1) of Schedule IV of the Act, the Independent Directors had a separate meeting on October 20, 2022.

BOARD MEETINGS

During the Financial year, the Board has met 6 (Six) times on the following Dates and the details of attendance are given below and the Board Meetings were held with time gap of not more than one hundred and twenty days.

Sl. No	Date of Meeting	Presence of Directors											
		Hardika Shah	Thirunavukkarasu R	Rahil Feroze Rangawala	Geoffrey T Woolley	Agustin Vitorica	Ranjit Shah	Sunil Satyapal Gulati	Bhavna Thakur	Ravindra Pisharody	Rekha Unnithan	Stephen Lee	Orsolya Farkas
1	08.04.2022	Y	Y	Y	N	N	Y	N	Y	Y	NA	NA	NA
2	27.04.2022	Y	Y	Y	N	Y	Y	Y	Y	N	NA	NA	NA
3	22.07.2022	Y	Y	N	Y	Y	Y	Y	Y	Y	NA	NA	NA
4	12.09.2022	Y	Y	Y	N	N	Y	Y	Y	Y	NA	NA	NA
5	20.10.2022	Y	Y	NA	Y	Y	Y	Y	Y	Y	NA	NA	NA
6	20.01.2023	Y	Y	NA	N	Y	Y	Y	Y	Y	Y	Y	Y

Y – Yes
N- No
N.A. – Not Applicable

COMMITTEE MEETINGS

AUDIT COMMITTEE:

The Committee is Constituted as per the Section 177 of the Companies Act, 2013 and the Chairperson of the Audit Committee is an Independent Director. The Current Composition of the Audit Committee is:

Mr. Sunil Satyapal Gulati - Chairperson
Ms. Bhavna Thakur – Member
Mr. Ravindra Pisharody-Member
Mr. Stephen Lee-Member

During the year, the Committee was reconstituted on 28th September 2022 and 17th November 2022.

The Audit Committee has met 4 (Four) times during the Financial Year 2022-23. 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 Satyapal Gulati	Bhavna Thakur	Ravindra Pisharody	Rahil Rangwala	Agustin Vitorica	Stephen Lee
1	26.04.2022	Y	Y	N	Y	NA	NA
2	21.07.2022	Y	Y	Y	Y	NA	NA
3	19.10.2022	Y	Y	Y	NA	Y	NA
4	19.01.2023	Y	Y	Y	NA	NA	Y

Y – Yes
N- No
N.A. – Not Applicable

NOMINATION & REMUNERATION COMMITTEE:

The Committee is Constituted as per the Section 178 of the Companies Act, 2013 and the Chairperson of the Committee is an Independent Director and the current Composition of the Committee is:

Ms. Bhavna Thakur - Chairperson
Mr. Sunil Satyapal Gulati – Member
Mr. Rekha Unnithan- Member

During the year, the Committee was reconstituted on 17th November 2022.

The NRC Committee has met 4 (Four) time during the Financial Year 2022-23. 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 Satyapal Gulati	Rekha Unnithan	Geoffrey Woolley
1	26.04.2022	Y	Y	NA	Y
2	15.06.2022	Y	Y	NA	Y
3	19.10.2022	Y	Y	NA	Y
4	06.02.2023	Y	Y	Y	NA

Y – Yes
N- No
N.A. – Not Applicable

CSR COMMITTEE:

The Committee is constituted as per the provisions of Section 135 of the Companies Act, 2013 and the current composition of the committee is:

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

During the year, the CSR Committee was reconstituted as on 20th January, 2023.
The CSR Committee has met 2 (Two) times during the financial year 2022-23. 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	Agustin Vitorica	Geoffrey Woolley
1	17.02.2023	Y	Y	NA	Y

Y – Yes
N- No
N.A. – Not Applicable

BORROWING COMMITTEE:

The Company has constituted a Borrowing Committee in order to look over the matters of borrowings of the company. The Board has delegated to this committee its authority to borrow funds as the company requires funds on a frequent basis. The Current Composition of the Committee is:

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

The Borrowing Committee has met 38 (Thirty-Eight) times during the Financial Year 2022-23.

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

Sl. Nos.	Date of Meeting	Presence of Members	
		Hardika Shah	Thirunavukkarasu Rajendran
1	14.04.2022	Y	Y
2	20.04.2022	Y	Y
3	25.04.2022	Y	Y
4	20.05.2022	Y	Y
5	20.06.2022	Y	Y
6	30.06.2022	Y	Y
7	28.07.2022	Y	Y
8	10.08.2022	Y	Y
9	11.08.2022	Y	Y
10	16.08.2022	Y	Y
11	22.08.2022	Y	Y
12	30.08.2022	Y	Y
13	7.09.2022	Y	Y
14	19.09.2022	Y	Y
15	23.09.2022	Y	Y
16	28.09.2022	Y	Y
17	29.09.2022	Y	Y
18	06.10.2022	Y	Y
19	13.10.2022	Y	Y
20	10.11.2022	Y	Y
21	02.12.2022	Y	Y
22	07.12.2022	Y	Y
23	13.12.2022	Y	Y
24	14.12.2022	Y	Y
25	21.12.2022	Y	Y
26	26.12.2022	Y	Y
27	28.12.2022	Y	Y
28	29.12.2022	Y	Y
29	30.12.2022	Y	Y
30	06.01.2023	Y	Y
31	11.01.2023	Y	Y
32	13.01.2023	Y	Y
33	23.01.2023	Y	Y
34	30.01.2023	Y	Y
35	08.02.2023	Y	Y
36	15.03.2023	Y	Y
37	23.03.2023	Y	Y
38	24.03.2023	Y	Y

Y – Yes
N- No
N.A. – Not Applicable

SELECTION COMMITTEE:

The Selection Committee comprised of the following Directors as members:
Ms. Hardika Shah- Chairperson
Mr. Rahil Feroze Rangwala- Member
Mr. Geoffrey T Woolley- Member
During the year under review, no meeting was held for Selection Committee.

IT STRATEGY COMMITTEE:

The IT Strategy Committee comprised of the following Members:

Mr. Ravindra Pisharody -Chairperson
Ms. Hardika Shah- Member
Mr. Ranjit Shah - Member
Mr. Stephen Lee - Member
Ms. Orsolya Farkas - Member

During the year under review, the IT Strategy Committee was reconstituted as on 17th November 2022, and on 20th January, 2023.

The IT Strategy Committee has met 3 (Three) times during the Financial Year 2022-23. 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	Stephen Lee	Ranjit Shah	Orsolya Farkas
1	08.07.2022	Y	Y	NA	Y	NA
2	19.10.2022	Y	Y	NA	N	NA
3	16.01.2023	Y	Y	Y	Y	NA

Y – Yes
N- No
N.A. – Not Applicable

RISK MANAGEMENT COMMITTEE:

The Risk Management Committee comprised of the following Members:

Mr. Sunil Satyapal Gulati - Chairperson
Ms. Hardika Shah- Member
Ms. Rekha Unnithan -Member
Mr. Agustin Vitorica - Member
Ms. Orsolya Farkas - Member

During the year under review, the Risk Committee was reconstituted as on 17th November, 2022 and 20th January, 2023.

The Risk Management Committee has met 4 (Four) time during the Financial Year 2022-23. 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 Satyapal Gulati	Rekha Unnithan	Ranjit Shah	Agustin Vitorica	Orsolya Farkas
1	26.04.2022	Y	Y	NA	Y	NA	NA
2	12.07.2022	Y	Y	NA	Y	NA	NA
3	19.10.2022	Y	Y	NA	N	NA	NA
4	12.01.2023	Y	Y	Y	NA	N	NA

Y – Yes
N- No
N.A. – Not Applicable

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 12 (Twelve) times during the Financial Year 2022-23. 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	08-04-2022	Y	Y	Y
2	10-05-2022	Y	Y	Y
3	10-06-2022	Y	Y	Y
4	08-07-2022	Y	Y	Y
5	10-08-2022	Y	Y	Y
6	09-09-2022	Y	Y	Y
7	08-10-2022	Y	Y	Y
8	10-11-2022	Y	Y	Y
9	09-12-2022	Y	Y	Y
10	10-01-2023	Y	Y	Y
11	10-02-2023	Y	Y	Y
12	10-03-2023	Y	Y	Y

Y – Yes
N- No
N.A. – Not Applicable

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.

Fit and Proper Criteria All the Directors of your Company meet the fit and proper criteria stipulated under the RBI Master Direction- Non-Banking Financial Company - Systemically Important Non Deposit taking Company - Direction 2016, as amended.

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 was evaluated for the Financial Year 2022-23

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 2023 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 2023 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 Secretarial Standards issued the by Institute of Company Secretaries of India that such systems were adequate and operating effectively.

ADEQUACY OF 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, 2023, 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.

SUBSIDIARIES, JOINT VENTURES & ASSOCIATES

The Company has no Subsidiaries, Joint Ventures & Associates for the Financial Year 2022-23

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 for providing loan or giving guarantee in ordinary course of business. Hence, Section 186 of the Companies Act, 2013 is not applicable to the Company.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the financial year 2022-23, there are no significant material related party transactions with the Company's Promoters, Directors, Key Managerial Personnel or other designated person which may have potential conflict with the interest of the Company at large. 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. The details of Related Party transactions pursuant to sub-section (1) of section 188 of Companies Act, 2013 is annexed herewith as ***Annexure-I***

The Policy on related party transactions as approved by the Board can be accessed on the Company's website at the given weblink: https://kinaracapital.com/related-party-transactions-policy/

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:

There were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in the future.

STATUTORY AUDITORS:

Pursuant to provisions of Section 139, 141 and other applicable provisions, if any of the Companies Act, 2013 and the rules made thereunder, (as maybe amended from time to time including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force) and the RBI Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs)(Ref.No.DoS.CO.ARG/SEC.01/08.91.001/2021-22) dated April 27, 2021, M/s Nangia & Co., LLP, Chartered Accountants having Registration No. 002391C/N500069 have been appointed as Statutory Auditors of the Company to hold office for a term of 3 (three) years from the conclusion of the 26th Annual General Meeting until the conclusion of the 29th Annual General Meeting of the Company.

SECRETARIAL AUDITORS:

Pursuant to Section 204 of the Companies Act, 2013 and the rules made thereunder, RSVH & Associates, LLP was appointed to conduct the Secretarial Audit of the Company for the Financial Year 2022-23. The Secretarial Audit Report for the FY 2022-23 forms part of Annual Report as Annexure III of the Board's Report.

INTERNAL AUDITORS:

As part of its efforts to evaluate the effectiveness of the internal control systems, your Company is supported by independent Internal Auditor who evaluates the adequacy of control measures on a periodic basis and recommends improvements, wherever appropriate. The Internal Quality Assurance team in the Company plays a vital role in continuously monitoring the effectiveness of the Standard Operating Procedures and makes extensive use of software and analytical tools which enables effective offsite or remote auditing. A robust process ensures that the Internal Quality Assurance team regularly updates its skills and knowledge base in order to analyze, assess, mitigate and monitor the controls and guard against inadequacies that could pose a threat to the company's strategic objectives. Systematic identification of risks on a proactive basis enables quick decision making on strengthening and redesigning the controls where required, through agile audit plans.

Mr. Mohan K Pattabhiraman who was an employee of the Company was appointed as Internal Auditor for the Financial Year 2022-23 pursuant to Section 138 of the said Act and the Rules thereunder. Further, he resigned as the Internal Auditor, Head of Internal Audit and Quality Assurance of the Company with effect from January 31, 2023.

COMPLIANCE WITH SECRETARIAL STANDARDS

The Applicable Secretarial Standards, i.e., SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly complied with by your Company.

MAINTENANCE OF COST RECORDS

The Company, being an NBFC, the requirements under subsection (1) of Section 148 of the Companies Act, 2013 w.r.t Maintenance of cost records are not applicable.

DETAILS REGARDING ANY PROCEEDINGS PENDING UNDER INSOLVENCY AND BANKRUPTCY CODE, 2016:

No application was made and no proceeding is pending under the Insolvency and Bankruptcy Code, 2016 during the year

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.

ii. Secretarial Audit Report:

There are no qualifications/adverse remarks in the Secretarial Audit Report for the year ended 31st March, 2023.

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, the details of which needs to be mentioned in the Board's Report for the year under review.

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'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 and approval.

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 credit, market, operational, compliance and reputational risk.

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.

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.

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.

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 and commercial paper. 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.

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

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.

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.

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

The Company has not undertaken any activity relating to conservation of energy and technology absorption and the requirement of disclosure of particulars relating to conservation of energy and technology absorption in terms of Rule 8 of the Companies (Accounts) Rules, 2014 does not arise. However, the Company has been increasingly using information technology in its operations and promotes conservation of resources. There have been no foreign exchange earnings during the financial year.

FOREIGN EXCHANGE OUTGO

INR in lakhs

Particulars	FY2023	FY2022
Foreign Exchange Outgo	13,484.10	4661.74

ANNUAL RETURN:

As required pursuant to sub-section (3) of section 92 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the complete annual return for the financial year ended 2022-23. The said form may be accessed through the web link https://kinaracapital.com/wp-content/uploads/2023/06/mgt-7-kinara-23.pdf

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 Whistle Blower Policy has been formulated with a view to provide mechanism for employees and directors to report concerns about unethical behaviour, actual or suspected fraud or violation of Company's code of conduct. The mechanism also provides for adequate safeguards against victimization of employees to avail of the mechanism. During the year under review, no such complaint having material impact was received by the Company.

The said Policy may be referred to at the website of the Company at its web link i.e
https://www.kinaracapital.com/vigil-mechanism-whistleblower-policy/

DISCLOSURE UNDER THE SEXUAL HARASSMENT 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 Financial Year 2022-23, no complaint was received by the Company.

CORPORATE SOCIAL RESPONSIBILITY ("CSR"):

The Company's CSR theme is based on 'women empowerment' and the CSR goal is to empower 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.

LISTING ON STOCK EXCHANGE

The non-convertible debentures issued by the Company are listed on the Wholesale Debt Market ("WDM") of BSE Limited.

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: September 5, 2023	**Director & CEO** **DIN: 03562871**	**Director & COO** **DIN: 06514712**

General Shareholder Information

Company Registration Details: The Company is registered in the state of Karnataka, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is U74899KA1996PTC068587

Annual Report: The Annual Report containing inter alia, Audited Annual Accounts, Director's Report, Auditor's Report and other important information is circulated to members and others entitled thereto. The Management's Discussion and Analysis (MD&A) Report forms part of the Annual Report and the Annual Report is also displayed on the website.

Debt Securities Listing: The Payment of Listing Fees for the year 2023-24 was paid on May 03, 2023 to the Bombay Stock Exchange (BSE).

SEBI Complaints Redress System (Scores): The investor complaints are processed in a centralized web-based complaints redress system by Securities & Exchange Board of India for debt listing. The salient features of this system are centralized database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status. Till the date of the report the status of the investor complaints is NIL.

Debenture Trustee:

Catalyst Trusteeship Limited
GDA House, Plot No 85, Bhusari Colony (Right),
Paud Road, Pune - 411 038.
Tel: +91 020 2528 0081
Fax: +91 020 2528 0275
E-mail: dt@ctltrustee.com
Website: www.catalysttrustee.com

Registrar and Transfer Agent:

KFin Technologies Ltd
(formerly known as KFin Technologies Private Limited)
Selenium Tower B, Plot 31-32, Gachibowli,
Financial District, Nanakramguda, Hyderabad – 500 032
Tel: 040-6716 2222
Fax: 040-23001153
Email: venu.sp@kfintech.com
Website: www.kfintech.com

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, 2023 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	
1	Name(s) of the related party and nature of relationship	KVS Consulting, LLC – represented by Ms. Khyati Shah as the registered owner. Sister of Ms. Hardika Shah, Director & CEO
2	Nature of contracts/arrangements/transactions	Appointment of KVS Consulting, LLC
3	Duration of the contracts/arrangements/transactions	The contract was executed during the Financial year 2022-23 for a period of 1 (one) year.
4	Salient terms of the contracts or arrangements or transactions including the value, if any	Monthly remuneration of INR 5,65,000/- plus reimbursement of expenses as per Company policy.
5	Date(s) of approval by the Board, if any	April 27, 2022
6	Amount paid as advances, if any	NA

For and on behalf of the Board

Place: Bangalore	**Hardika Shah**	**Thirunavukkarasu Rajendran**
Date: September 5, 2023	**Director & CEO** **DIN: 03562871**	**Director & COO** **DIN: 06514712**

ANNEXURE-II
FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT FOR FINANCIAL YEAR COMMENCING ON OR AFTER 1ST DAY OF APRIL, 2022

1. Brief outline on CSR policy of the Company.

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

2. The Composition of CSR Committee:

Sl. Nos.	Name of Director	Designation/ Nature of Directorship	No. of meetings of CSR Committee held during the year	No. of meetings of CSR Committee attended during the year
1	Ravindra Pisharody	Chairperson- Independent Director	1	1
2	Hardika Shah	Member- Director & CEO	1	1
3	Geoffrey T Woolley	Member- Nominee Director	1	1

3. Provide the web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company: https://www.kinaracapital.com/csr-policy/

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report): Not Applicable

5. Details of the amount available for set-off in pursuance of sub-rule 3 of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set-off for the financial year, if any: Not Applicable

6. Average net profit of the Company as per section 135(5): INR (6,97,30,193)

7 (a) Two percent of average net profit of the Company as per Section 135(5): NIL

(b) Surplus arising out of the CSR projects or programmes or activities of the previous
Financial years: Not Applicable

(c) Amount required to be set-off for the financial year, if any: NIL

(d) Total CSR obligation for the financial year (7a+7b-7c): NIL

8. (a) CSR amount spent or unspent for the financial year

Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
INR 4,99,328	NIL	NIL	NIL	NIL	NIL

(b) Details of CSR amount spent against ongoing projects for the financial year: Not Applicable
(c) Details of CSR amount spent other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (in INR)	Mode of Implementation -Direct (Yes/No)	Mode of Implementation	
				State	District			Name	CSR registration number
1	PURE India Trust	Promoting education and women entrepreneurship development, including special education and employment enhancing vocation skills, career guidance, skill development especially among children, women, elderly and the differently abled and livelihood enhancement projects	Yes	Delhi	Delhi	4,99,328	No	PURE India Trust	CSR00000461

(d) Amount spent in Administrative Overheads: NIL
(e) Amount spent on Impact Assessment, if applicable: Not Applicable
(f) Total amount spent for the Financial Year (8b+8c+8d+8e): INR 4,99,328
(g) Excess amount for set off, if any: Not Applicable

9. (a) Details of Unspent CSR amount for the preceding three financial years: Not Applicable
(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Not Applicable

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset wise details)
(a) Date of creation or acquisition of capital asset(s): Not Applicable
(b) Amount of CSR spent for creation or acquisition of capital asset: Not Applicable
(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. : Not Applicable
(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): Not Applicable

11. Specify the reason(s), if the Company has failed to spent two per cent of the average net profit as per Section 135(5): Not Applicable

Hardika Shah	**Ravindra Pisharody**
Director & CEO **DIN: 03562871**	**Chairperson- CSR Committee** **DIN: 01875848**

For and on behalf of the Board

Place: Bangalore	**Hardika Shah**	**Thirunavukkarasu Rajendran**
Date: September 5, 2023	**Director & CEO** **DIN: 03562871**	**Director & COO** **DIN: 06514712**

SECRETARIAL AUDIT REPORT

SECRETARIAL AUDIT REPORT

For the financial Year ended March 31, 2023

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members
Visage Holdings and Finance Private Limited
#50, 2nd Floor, 100 Feet Road HAL 2nd Stage (Defense Colony), Indiranagar Bangalore 560038

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Visage Holdings and Finance Private Limited (hereinafter referred as the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March 2023, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2023 according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made there under;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules madethere under; - not applicable

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; to the extent applicable;

iv. Foreign Exchange Management Act, 1999 and the rules and regulationsmade thereunder to the extent of Foreign Direct Investment,

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

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations,2011; not applicable

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; not applicable

d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; not applicable

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

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

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; not applicable and

h) The Securities and Exchange Board of India (Buyback of Securities)
Regulations, 1998; not applicable

vi) On examination of the relevant documents and records in pursuance thereof, on test-check basis and based on the reports and opinion given by the experts in the respective areas, the Company has generally complied with the Regulations/Guidelines specifically prescribed for operations of the Company by Reserve Bank of India and other Agencies/Departments:

We have also examined compliance with the applicable clauses of the following:

i. Secretarial Standards issued by The Institute of Company Secretaries of India.

ii. The Listing Agreements entered into by the Company with Stock Exchange(s), - to the extent of its applicability;

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

We further report that:

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance or in case of inadequacy, short notice consent was taken, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

We further report that:

There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. We further report that, the compliance by the Company of applicable financial laws such as direct and indirect tax laws and maintenance of financial records and books of accounts have not been reviewed in this Audit since the same have been subject to review by the statutory financial auditors, tax auditors, and other designated professionals.

For RSVH & Associates LLP Company Secretaries
Registration No: L2020KR006800

Vinayak Hegde Partner
M.No: 28093
CP.No: 11880

Date:28/04/2023 Place: Bangalore
UDIN: A028093E000211936

This report is to be read with Annexure A which forms an integral part of this report.

Annexure A

To,
The Members
Visage Holdings and Finance Private Limited (The Company)
#50, 2nd Floor, 100 Feet Road, HAL 2nd Stage (Defense Colony), Indiranagar Bangalore 560038

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of (the Company). Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test check basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices that we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test check basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company

For RSVH & Associates LLP Company Secretaries Registration No: L2020KR006800

Vinayak Hegde Partner
M. No: 28093
CP. No: 11880

Date: 28/04/2023 Place: Bangalore
UDIN: A028093E000211936

CUSTOMER SPOTLIGHT

Vedavathi Lagisetty

Vedavathi Grocery Traders, Andhra Pradesh

"I wasn't sure if business expansion would be possible for me but Kinara made my dream come true!"

After running her grocery business successfully for a decade, Lagisetty decided that she wanted to expand her shop. The desire for business growth brought along concerns about obtaining the necessary capital even with an established enterprise.

Kinara's business loan proved instrumental, leading to rapid expansion and a substantial increase in the turnover for the business. Vedavathy aims to continue her expansion journey only with Kinara and flourish in the coming years.

"Kinara has a completely unbiased approach to gauging the potential of entrepreneurs and they have supported me at every step of the way."

Fiyaz Ali Khan's entrepreneurial journey commenced post-retirement and started the business with his savings. Despite having experience, good health and assets, he faced ageism from other lenders who refused to even consider his application due to his age. He has now taken 3 loans from Kinara and this has helped him grow his business, and enabled employment of 8 workers.

Fiyaz Ali Khan

New Quality Wood Furniture and Timber Depot, Andhra Pradesh

OUR LEADERSHIP TEAM

Hardika Shah

Founder & CEO

Hardika Shah is the visionary Founder and Chief Executive Officer of Kinara Capital and is known for driving vast MSME financial inclusion.

Recognized for disrupting small business lending in India, Forbes named her on its 'Top 20 Self-Made Women Power List' and the Government of India conferred her with a 'Women Transforming India' award.

Prior to launching Kinara, she spent two decades in management consulting working across the USA, Asia-Pacific, and Europe. Hardika graduated with B.A. in Computer Science from Knox College in Illinois and earned her MBA from a joint program with Columbia Business School and Haas School of Business.

Thirunavukkarasu R (Thiru R)

COO

Thirunavukkarasu R (Thiru R) is the Chief Operating Officer of Kinara Capital where he oversees Sales, Credit, Legal & Collections, Business Operations & Customer Care.

With more than 22 years of experience in the financial services industry, his experience has been instrumental in customizing Kinara's solutions for the MSME segment by taking into account the on-the-ground realities of small business entrepreneurs.

Thiru earned his B.E. (Agriculture) from Tamil Nadu Agricultural University (TNAU) in Coimbatore. He has completed the Strategic Leadership in Inclusive Finance (SLIF) program at Harvard University.

Aiswarya Ravi

CFO

Aiswarya Ravi is the Chief Financial Officer of Kinara Capital where she oversees financial strategy and financial operations, including Accounting, FP&A, Debt & Equity financing origination and execution, Investor Relations, and Regulatory Compliance.

With over 15 years of experience, Aiswarya has propelled Kinara Capital's growth by skillfully managing risk and planning around anticipated budget requirements.

Aiswarya is a qualified Chartered Accountant (CA) from the Institute of Chartered Accountants of India and a Certified Information Systems Audit (CISA) professional by ISACA.

OUR MANAGEMENT TEAM

ANURADHA NATARAJ

Executive Vice President (EVP), Credit

Anuradha Nataraj is the EVP of Credit at Kinara Capital. She oversees credit underwriting and risk processes by leading a team of 150+ team across the field and all of the branches. She holds over 20 years of experience in finance. Anuradha holds an MBA in Financial Management from Bangalore University, and has studied under IGCSE affiliated with Cambridge University.

GRACY TAVAMANI

Executive Vice President (EVP), Human Capital Management

Gracy Tavamani is the EVP of Human Capital Management at Kinara Capital, leading talent acquisition, talent management, talent development, employee experience, compliance, performance management, and Facilities and Administration. She has over 20 years of experience in the industry. Gracy holds an MBA in Finance & HR and is pursuing a Ph.D. in Business Management.

KHYATI SHAH

Executive Vice President (EVP), Corporate Marketing & Social Governance

Khyati Shah is the EVP of Corporate Marketing & Social Governance at Kinara Capital, overseeing Branding, Public Relations, Social Media, Performance Marketing, and ESG & CSR initiatives. She has over 20 years of international experience in communications. Khyati completed her B.A. in Political Science & Spanish from Knox College and holds an MBA from Columbia Business School and UC Berkeley Haas School of Business.

MAYANK ARORA

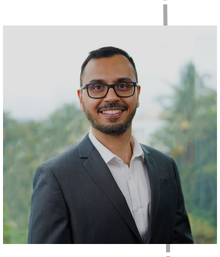
Senior Vice President (SVP), Strategy & Products

Mayank Arora is the SVP of Strategy & Products at Kinara Capital. He leads product development and strategic market expansion for Kinara by analyzing high-impact scalable initiatives. He has 15 years of experience in product development, market expansion, and tech integration. He holds a B.Tech in Civil Engineering from IIT Delhi and an MBA from ISB Hyderabad.

RIJI K

Senior Vice President (SVP), Business Operations & Customer Care

Riji K is the SVP of Business Operations & Customer Care at Kinara Capital. She is responsible for leading customer experience operations and managing the multi-lingual in-house customer service team. She has over 15 years of experience in banking and financial sector. She is an IIM Kozhikode alumni where holds a postgraduate degree in Business Administration. She also holds certifications from IRDA and Harvard University.



SANJIV GEHLAUT

Senior Vice President (SVP), Data Science

Sanjiv Gehlaut heads the Data Science team at Kinara Capital, driving data-driven insights and solutions. He has 18 years of experience in providing custom analytic solutions to banks and financial institutions. Sanjiv holds a Bachelor's degree in Engineering and a Master's degree in Econometrics from Delhi University.

TUSHAR CHERIAN

Senior Vice President (SVP), Debt and Treasury

Tushar Cherian is the head of the Debt and Treasury department at Kinara Capital. He manages around 40+ existing lenders and handles funding sourcing for the business plan. He also manages the company's treasury investments and co-lending partnerships. He has more than 16 years of professional experience, and holds a PGDM in Finance from SP Jain Institute of Management and Research.

MANAGEMENT DISCUSSION & ANALYSIS (MD&A)

1. Macro-Economic Environment

Goldman Sachs recently reported that India is projected to become the world's second-largest economy by 2075, leapfrogging from its position as fifth-largest at present. This forecast is driven by several factors, including a growing population, advancements in innovation and technology, increased capital investment, and rising worker productivity. With the pandemic behind us, India is experiencing visible signs of recovery across various industries. The country has demonstrated strong macroeconomic fundamentals, indicating resilience and the ability to overcome challenges. Multiple factors contribute to the country's promising economic future, with one key driver being its youthful and skilled workforce. With a large population of young individuals and a shared entrepreneurial mindset, India possesses a significant demographic advantage.

In the last quarter of the previous fiscal year, India's GDP grew at 6.1%, surpassing analyst estimates. Geopolitical strife in Europe posed downside risks to the growth of the Indian economy in FY23. The war in Europe disrupted the global supply chain and led to inflation in FY23. India's retail inflation went above the RBI's tolerance range of 6 per cent in January 2022 and remained above that range till November 2022. During that period, rising international commodity prices contributed to India's retail inflation as also local weather conditions like excessive heat and unseasonal rains, which kept food prices high. The government cut excise and customs duties and restricted exports to restrain inflation while the RBI, like other central banks, raised the repo rates and rolled back excess liquidity.
Many agencies worldwide revised their growth forecast of the Indian economy downwards. Despite the downward revision, the The Ministry of Statistics & Programme Implementation (MOSPI) data reveals that the overall growth rate for FY23 stood at 7.2%, higher than almost all major economies.

The Reserve Bank of India (RBI) predicts that India's growth momentum will continue in 2023-24 due to factors such as easing inflationary pressures, sound macroeconomic policies, lower commodity prices, a strong financial sector, a healthy corporate sector, focused fiscal policies, and new growth opportunities resulting from global supply chain realignment.

1.1. India's Economic Resilience

India's economic resilience can be seen in the manner economic growth held up in face of various macro-economic challenges. While there was a moderation in the growth of exports in the second half of FY23, the initial surge in FY22 and the first half of FY23 accelerated production activity across the economy. Manufacturing and investment activities consequently gained traction. The moderation of exports was mitigated by a rebound in domestic consumption to balance the growth of India's economy.

Increase in domestic consumption was underpinned by two major factors. One was the extremely successful near-universal coverage of vaccination in India. It led to an increased confidence in the population to resume business activity in the marketplaces. The service providers like restaurants, hotels, malls and tourist hotspots, saw a significant uptick in activity and improved consumer sentiment across the board. Second, was a release of pent-up demand in the economy. Since the share of consumption is high in India, a reduction of consumption due to the pandemic led to a strong rebound. Multiple surveys, including by the RBI, pointed to improving sentiment with respect to current and prospective employment and income conditions over FY23.

1.2 Robust Credit Growth and Support to MSME Sector

Micro-small-and-medium enterprises (MSMEs) make up one of the pillars of the Indian economy and their growth is intrinsically linked to India's progress towards becoming a $5 trillion economy. The government had taken various initiatives to propel the sector, including building digital infrastructure and making efforts to create a conducive regulatory environment for MSMEs and that financial services sector catering to them. The government has also continued to provide support to MSMEs through successful schemes like CGTMSE, which has been instrumental in promoting entrepreneurship and facilitating credit access for MSMEs. The government has made several modifications to the scheme, including extending the loan coverage and tenure, and relaxing the eligibility criteria, which bode well for MSMEs.

The pandemic accelerated the adoption of digital technologies, creating new opportunities for innovation and growth. The country's tech sector is thriving, with the rapid adoption of technology, particularly mobile phones creating new opportunities for MSMEs, as well as fintechs and other service providers catering to their evolving needs. Mobile-based lending platforms have emerged as an important source of credit for small businesses, while digital payment systems have made it easier for MSMEs to transact with their customers.

In FY23, there was a robust credit uptake, year-on-year growth in credit since the January-March quarter of 2022 was in double-digits and rising across most sectors. The credit growth to the micro, small and medium enterprises (MSME) sector was especially high, over 30.5 per cent, on average. The aggressive supply of credit by the financial sector has also been triggered by the MSMEs improved financial health. Further, the GST paid by MSMEs after declining in FY21 has been rising since and now has crossed the pre-pandemic level of FY20, reflecting the financial resilience of small businesses and the effectiveness of the government intervention targeted towards MSMEs.

1.3 Regulatory Changes and Facilitation

The regulatory environment for MSMEs and NBFCs has experienced considerable transformations in recent years, reflecting the growing importance of these sectors in the Indian economy. One of the most notable changes has been the introduction of the Digital Lending Guidelines by the RBI. These guidelines aim to ensure greater transparency, standardization, and consumer protection in the rapidly evolving digital lending space. By imposing a set of rules and regulations on digital lending platforms, the RBI seeks to enhance the overall credibility and stability of the financial ecosystem.

The interest rates set by the RBI play a crucial role in determining the lending rates offered by financial institutions. In recent years, the central bank has adopted a cautious stance towards cutting interest rates, primarily due to concerns about rising inflation. This cautious approach has inevitably led to higher borrowing costs for MSMEs and NBFCs. Consequently, it has become more challenging for these businesses to access affordable credit, which could potentially hinder their growth and expansion plans.

The higher borrowing costs faced by MSMEs and NBFCs also underscore the importance of a supportive regulatory environment, particularly for smaller enterprises that often rely on external financing to fund their operations. To address this challenge, the RBI and other relevant authorities may need to consider a more nuanced approach to interest rate policy, balancing the need to keep inflation in check while ensuring that credit remains accessible and affordable for businesses that form the backbone of the Indian economy. It is essential for the regulatory landscape to accommodate the needs of last-mile customers and the service providers catering to them. In doing so, these businesses will be further enabled contribute to the stability and growth of the financial sector and the overall growth of the nation’s economy.

1.4 Outlook for FY24

Even though India’s outlook remains bright, global economic prospects for the next year have been weighed down by a combination of multiple risks; historically high inflation numbers have compelled central banks to tighten financial conditions across the globe leading to slowing economic activity, especially in Advanced Economies.

Further, prolonged disruptions in supply chains and heightened risks due to geo-political conflict have further dampened the global outlook. Hence, global growth is forecasted to slow from 3.2 per cent in 2022 to 2.7 per cent in 2023 as per IMF’s World Economic Outlook, October 2022. A slower growth in economic output coupled with increased uncertainty will dampen trade growth. This is seen in the lower forecast for growth in global trade by the World Trade Organisation, from 3.5 per cent in 2022 to 1.0 per cent in 2023.

While commodity prices have tapered from record highs, they are still higher than pre-war levels. Strong domestic demand amidst high commodity prices will increase India’s total import bill and negatively impact the current account balance.

Another risk to the outlook originates from the monetary policy risks. While the pace of rate hikes has reduced, major central banks continue to have a hawkish stance on inflation. Persistent inflation may prolong the rate hike cycle, and therefore, negatively impact borrowing costs. In such a scenario, the global economy may be characterized by low growth in FY24.

Against this backdrop, the Economic Survey of FY23 projects a baseline GDP growth of 6.5 per cent for India in real terms in FY24. The projection is broadly comparable to the estimates provided by multilateral agencies such as the World Bank, the IMF, and the ADB and by the RBI, domestically. The actual outcome for real GDP growth will probably lie in the range of 6.0 per cent to 6.8 per cent, continuing to make India one of the rare bright spots for economic growth across major economies. The Indian economy's recovery is bolstered by robust fundamentals, a skilled workforce, and digital expansion. Government initiatives and banking sector resilience support growth, while increasing foreign investment amplifies its potential. MSMEs, vital to the economy, benefit from government schemes, digital transformation, and new opportunities. Despite challenges like higher borrowing costs and scrutiny on unsecured loans, regulatory changes promote transparency and security, fostering a stronger industry. To maximize India's economic potential, collaboration among policymakers, regulators, and stakeholders is crucial in addressing challenges and creating a sustainable, innovative economic environment across sectors.
(Source: Economic Survey of India)

2. Kinara's Model - Digital Credit, At Scale

Despite the global headwinds the MSME segment in India was thriving post pandemic, and FY23 was the year in which Kinara Capital's robust business model stood out as we doubled our AUM without compromising the bottom line. The strong performance demonstrated the scalability of Kinara Capital's blended tech business model with last mile distribution, personalization of service, powered by technology for speed of delivery.

Kinara Capital's end-to-end digital platform drives operational efficiency and portfolio quality:

Efficient Sourcing - Last Mile Presence/Deep Segment knowledge/Digital Lead Generation

- Kinara has lowered the cost of acquisition and delivery through a blended model. Nearly 8-10% of customers originated via digital channels while the rest are via our sales officers across 125 branches in 6 states + 1 union territory. Video and static ads in relevant vernacular languages are run primarily on Facebook and YouTube. Facebook remains a top source for digital lead-generation. At INR 146 crores disbursed to digitally sourced leads in FY23, there was 4.5x growth in FY23, compared YoY to FY22.

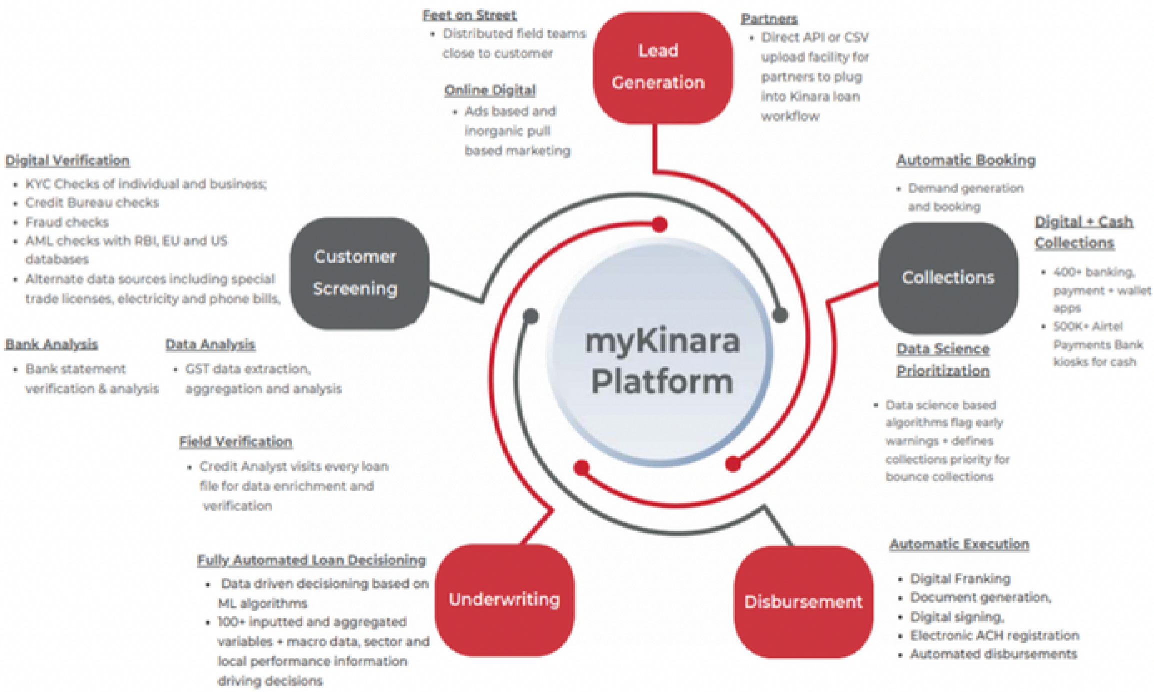
Robust Underwriting

- Kinara Capital utilizes an Automated Loan Decisioning System. It's a proprietary data science based model technology utilizing 100+ raw and derived variables to enable risk scoring to predict future default probability. Our models determine approval, loan amount, loan tenure and risk adjusted interest rate.

Ability to Collect

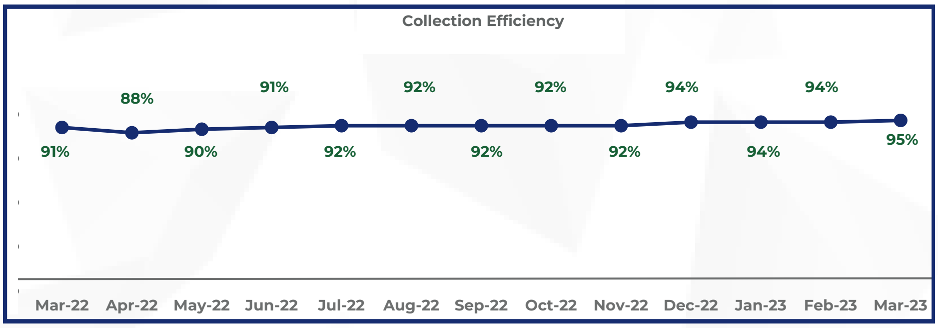
- Kinara Capital has a strong collections and recovery mechanism by blending digital collections and last mile people-based collections driven by data science based collections priority algorithms.

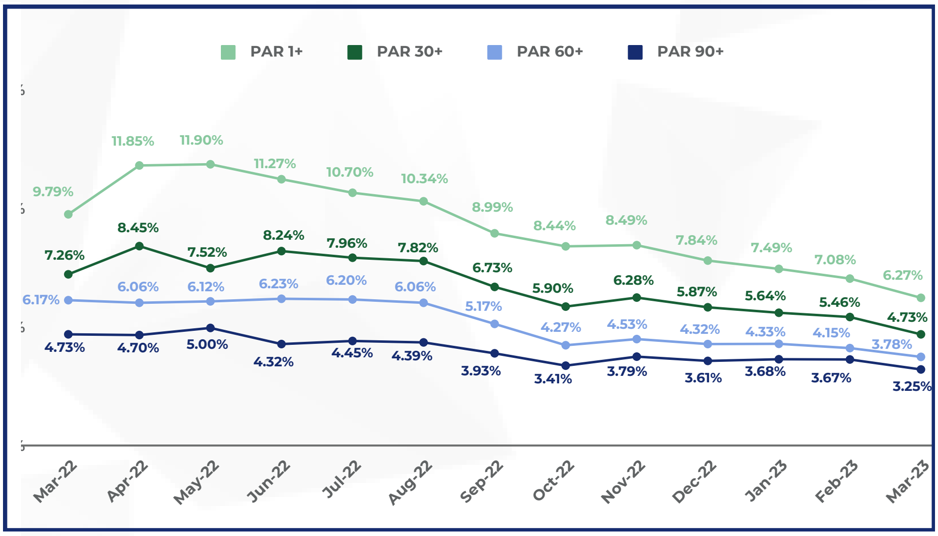
End-to-End Digital Platform



3. Portfolio Quality

The increased use of technology and the last mile presence has led to a high-quality portfolio with strong control on all delinquency metrics. Robootic reminder calling customers in vernacular, SMS and Whatsapp messages and automated ACH clearance have driven down EMI bounce rates. Post bounce, data science driven collections strategy increases efficiencies by parsing cases to different channels from our own collections call center to different field officers thus, aligning the best outcomes to the best channels. Availability of various payment modes such as UPI integrated app, deposit at Airtel Payment Banks and payment through our website coupled with proximity of branch locations to customers, a dedicated collections and recovery team have helped maintain a strong hold on collections.





3.1. Detailed Asset Quality Metrics

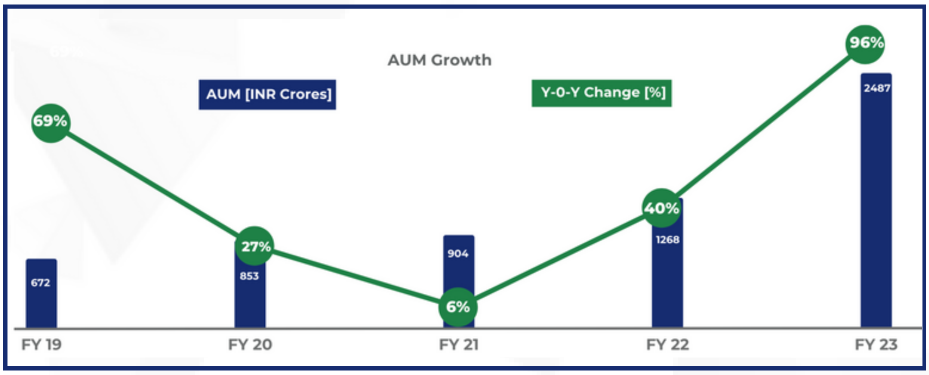
Asset Quality			
Particulars	**FY23**	**FY22**	**FY21**
Par 90+	3.20%	4.70%	4.90%
Stage 3	5.60%	8.60%	10.40%
NNPA	4.60%	5.90%	8.20%

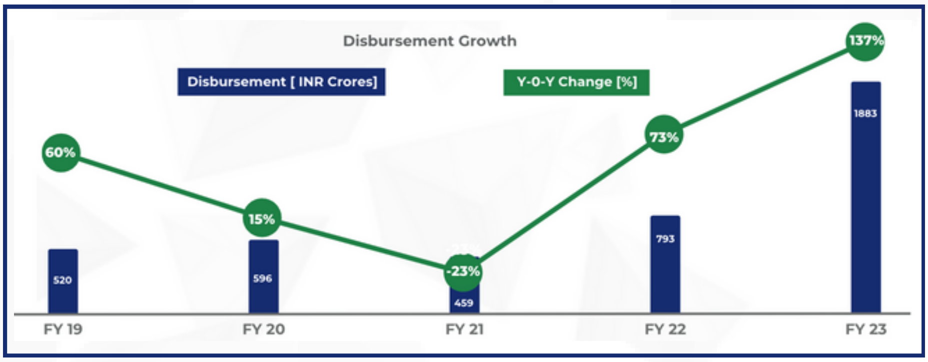
We have demonstrated a consistent improvement in Portfolio Quality. The Gross Stage (3%) has declined from 10.4% in FY21 to 5.6% and the Net NPA ratio has similarly declined from 8.2% to 4.6%.

4. Operational Performance

FY23 was a year of significant growth for the Company. AUM growth on a CAGR basis was 39% between FY19 and FY23. This is inclusive of the pandemic years, wherein there was a calibrated and well considered reduction in disbursements given the prevalent scenario. In FY23, the AUM grew by 96% on a y-o-y basis to INR 2,487crores

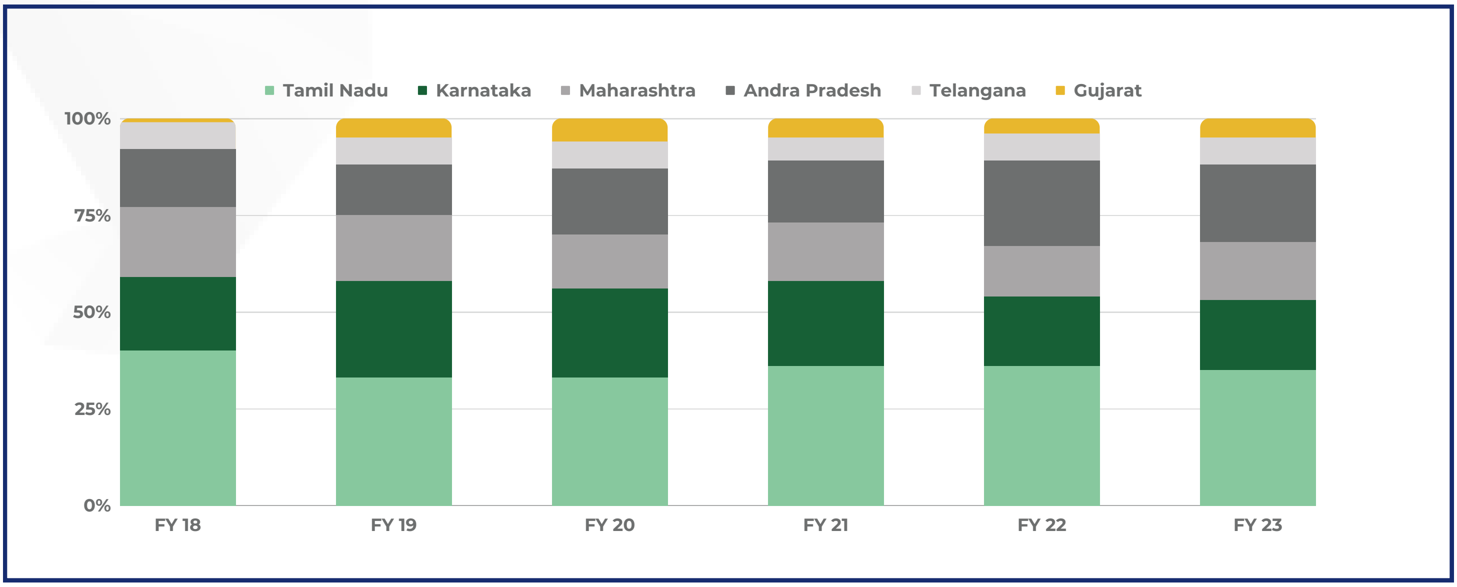
Similarly, the growth in disbursement was equally robust with 137% increase in FY23 to INR 1,883crores The CAGR for disbursements between FY19-23 was 38%.



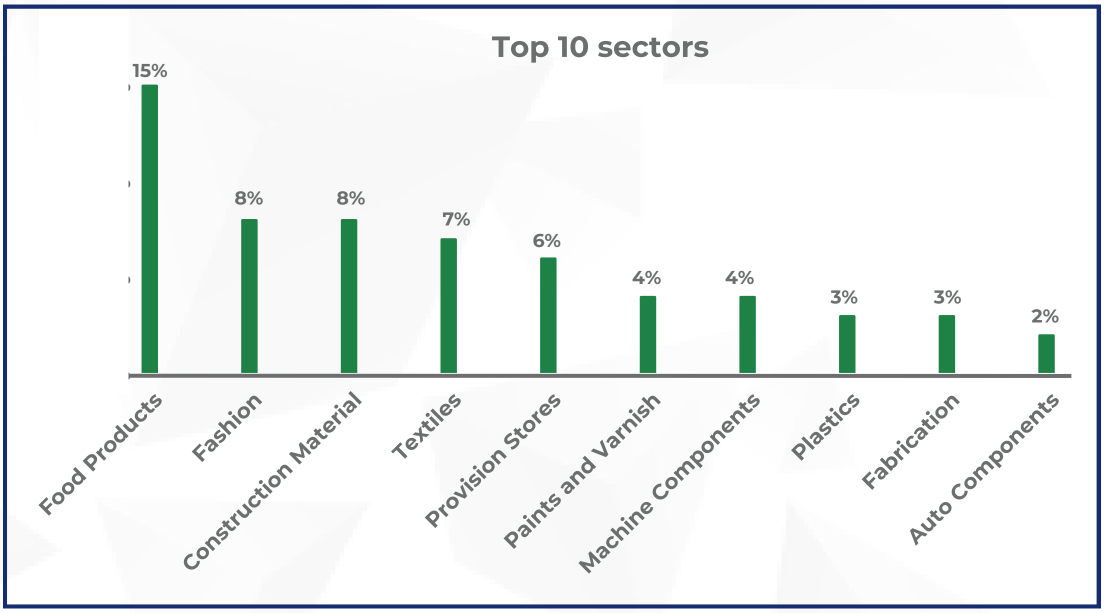


5. Portfolio Diversification

As one of the few lenders catering to manufacturing & trading micro enterprises, Kinara has developed efficient last mile distribution through 125 branches in 6 adjacent states in South and West India. Diversification of the portfolio is a key aspect for the Company. Since inception, the Company has continuously expanded across geographies and sectors, thereby consciously reducing concentration of any kind in its portfolio. Kinara Capital also has a detailed risk management architecture in place to monitor on a quarterly basis its concentration risk and maintain this within acceptable thresholds.



The southern states account for 77% of the Portfolio with the residual 23% of the Portfolio being distributed amongst the western states of Maharashtra and Gujarat. While Tamil Nadu continues to be the largest state in the Portfolio, its share has remained consistently around 35% thus, ensuring diversification.



The Company serves 50+ sectors across manufacturing, trading and services segments. As per risk management policy, the company actively tracks exposure to each sector against acceptable thresholds.

6. Financial Performance

6.1 Profit & Loss

Rs. in crores

Particulars	FY23	FY22	Y-o-Y Change(%)
Revenue from Operations	491	285	72%
Other Income	1	1	-71%
Total income	492	286	72%
Expenses			
Finance costs	183	117	56%
Impairment on Financial Instruments	92	39	136%
Employee Benefits Expenses	104	66	58%
Depreciation, Amortization and Impairment	9	6	39%
Others expenses	50	39	29%
Total Expenses	438	267	64%
Profit before Tax	54	19	189%
Total Taxes	13	4	215%
Profit for the Year	41	15	182%

Total income increased by 72% from INR 286 crores in FY22 to INR 492 crores in FY23 primarily driven by the 96% increase in AUM from INR 1,268 croresto INR 2,487 crores Total Income for FY23 included Other Income of INR 107 croreswhich was up 50% from INR 72 croreson a y-o-y basis.

Finance costs increased by 56% from INR 117 crores in FY22 to INR 183 crores in FY23 on account of higher debt raised to fund the growth in AUM. Total Debt increased to INR 1,665 croresfrom INR 1,137 croresin FY22. Over this period, the average Cost of Debt increased from 13.4% to 13.5%, an increase of only 10 bps, in a year where there was a 250 bps increase in the Policy Rate by the RBI.

Operating expenses increased by 47% from INR 105 crores in FY22 to INR 154 croresin FY23. The same was driven by a continuing investment in human capital & technology needed to expand existing business & introduce new business lines.

Employee benefit expenses increased by 58% to INR 104 crores in FY22 from INR 66 crores in FY22. The increase can be attributed to the increased hiring, the employee strength increased from 1,313 employees as on March 31, 2022 to 1,548 employees as on March 31, 2023. Other expenses (excluding depreciation) increased by 29% from INR 39 crores in FY22 to INR 50 crores in FY23, primarily on account of spends on technology.

Credit Costs were kept in check through FY23. The total credit cost in FY23 was INR 92 crores (consisting of provisions – INR 24 crores and net write offs – INR 68 crores) up from INR 39 croresin FY22. The increase in Credit Costs can be primarily attributed to the Company's decision to conservatively change its write off policy from 540 days past due (DPD) to 360 DPD in October 2022. This led to a one-time impact of INR 20 croreson the write-off costs.

6.2. ROA Tree (%)

Data as % of AUM		
	FY23	**FY22**
Total Income	28.1%	29.1%
Finance Cost	10.5%	11.9%
Operating Expenses	9.3%	11.4%
Credit Cost	5.2%	4.0%
ROA (pre-tax)	3.1%	1.9%
ROA (post-tax)	2.4%	1.5%

To summarize, FY23 was a positive year for the Company. Aided by the tailwinds of a growing economy, Kinara Capital nearly doubled its AUM and Disbursements after almost two years of subdued growth due to the pandemic. The growth was accompanied by increased profitability and strong control on delinquency levels.

In a year of steep interest rate hikes, across the board, the Company was conscious of not passing on all the increased costs to its customer segment. Yields on AUM declined to 28.1%, however the higher equity base and the tight control on borrowing costs helped us maintain our margin.

The increased productivity on account of the technology platform deployed by the Company helped significantly reduce Opex from 11.4% in FY22 to 9.3% of AUM in FY23.

As mentioned earlier, the Credit Costs of the Company were higher, on account of a one-time impact from tightening of its write-off policy, at 5.2% of AUM.

In spite of increased interest costs and higher credit costs, Kinara Capital still more than doubled its profitability, ending up with a PAT of INR 41 croresin FY23, as compared to INR 15 croresin FY22. In ROA terms, the post-tax profitability of the Company jumped from 1.5% of AUM to 2.4% of AUM.

6.3. Balance Sheet

Rs. in crores

Balance Sheet			
Particulars	**FY23**	**FY22**	**Y-o-Y Change(%)**
Cash and Bank Balances	616	327	88%
Loans	1,616	988	64%
Investments	1	1	0%
Fixed Assets (incl. Intangible Assets)	30	15	100%
Other Assets	242	129	88%
Total Assets	2,505	1,460	72%
Shareholders' Funds	684	245	179%
Borrowings	1,665	1,137	46%
Lease Liabilities	24	8	200%
Other Liabilities	132	70	89%
Total Liabilities	2,505	1,460	72%

The Company had a robust capital structure, aided by the significant equity infusion during FY23. Nuveen Global Impact Fund India S.À R.L, British International Investment plc and Pettelaar Effectenbewaarbedrijf N.V. (Triple Jump) infused INR ~400crores of fresh equity into the Company across two tranches in April 2022 and September 2022. This led to a significant increase in the Shareholders Funds of the Company from INR 245 crores as at the end of FY22 to INR 684 crores as at the end of FY23.

Aided by the fresh infusion of equity, Kinara Capital was able to aggressively push for growth on the asset side, given there were no capitalisation constraints. Through the judicious use of co-lending, as a liability strategy, even with the steep growth in AUM, the Company ended the year with robust Capital Adequacy Ratio of 32% and a Debt / Equity ratio of 2.44x giving it a significant runway for future growth.

7. Treasury

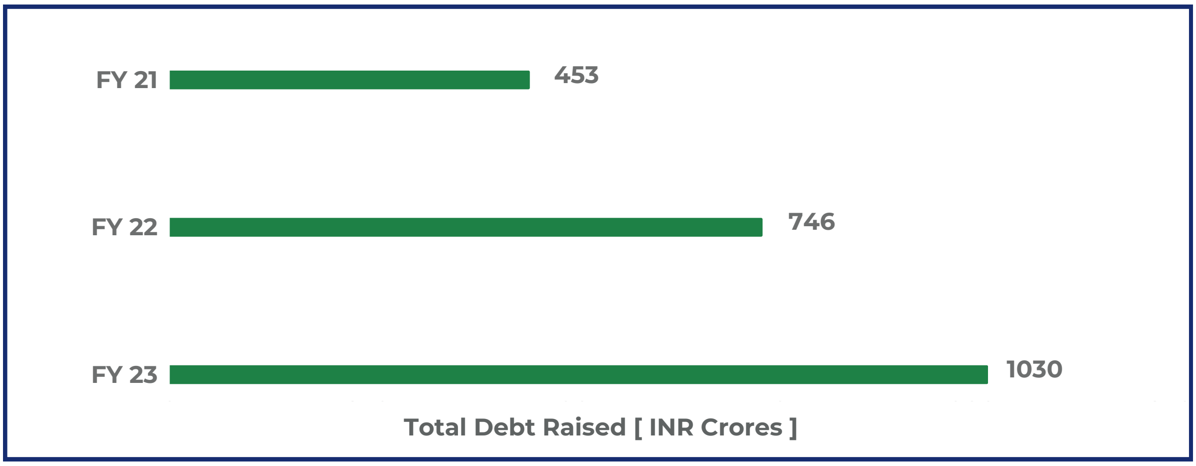
7.1 Liability Profile

Kinara Capital has a well-diversified lending mix with access to multiple pools of capital split across Banks and Small Finance Banks, NBFCs and Financial Institutions, Alternate Investment Funds, Foreign Portfolio Investors (FPI) and Asset Management Companies. As of FY23, Kinara Capital had 41 Lenders on its books. During the year we increased diversity across the liability side through new instruments like Market Linked Debentures and also added 6 lenders to our Liability mix. Addition of our first Public Sector Bank, State Bank of India was a significant achievement.

7.2 Total Borrowings

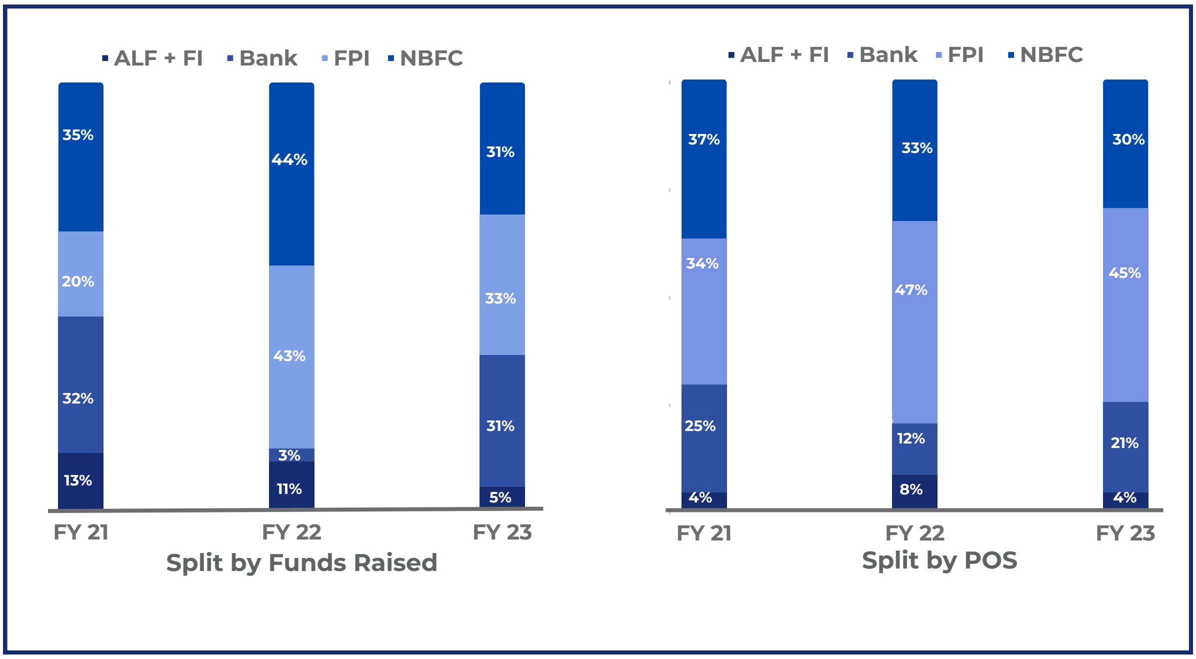
Kinara Capital raised INR 1,030 crores of debt in FY23 as compared to INR 746 crores in FY22. With COVID-19 behind us and overall positive market sentiment, we were able to raise this volume despite interest rate hikes. We continue to receive tremendous support from our existing lenders, who understand the robustness of our business model and increased exposure to us.

A good measure of Kinara Capital's credit acceptability was the willingness of our existing lenders to take a repeat exposure. Of the INR 1,030 crores of debt that was raised in FY23, 79% was from existing lenders and as compared to 70% during FY22. This demonstrated an increased stickiness and the benefit of network effects of having a well-diversified lender base. Typically, the repeat exposures came with increased loan size, longer tenors and better commercials; which had a beneficial effect on the incremental cost of debt.



7.3 Liability Mix

We have been consistent in adding diversity to our liability pool as its scale of borrowing has increased without excessive reliance on any single source of debt capital.

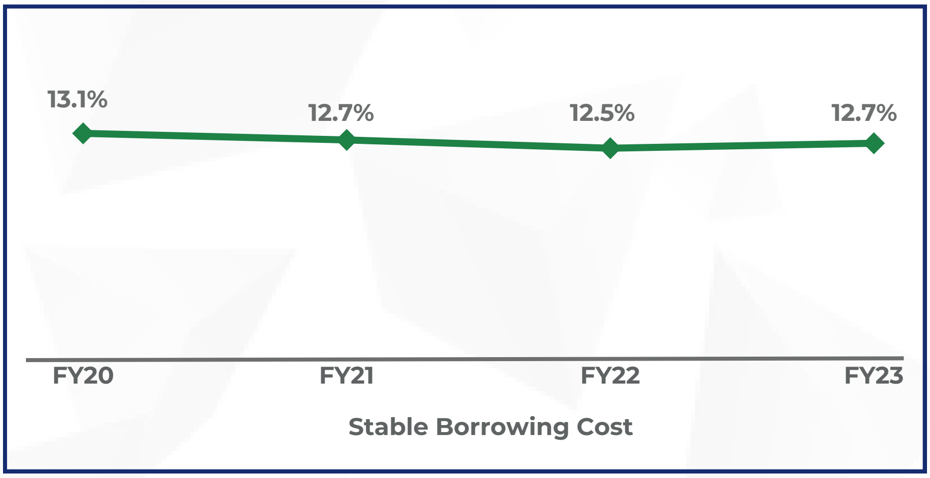


Broadly the company relies on four primary pools of Capital – Foreign Portfolio Investors (FPI)/ Banks and Small Finance Banks (Bank)/ Non-Banking Financial Company (NBFC) and other Financial Institutions (FI/AIF)

In FY23, the key focus area of the Treasury team was to increase the share of Banks to the liability mix. In FY23, Bank share of outstanding debt increased from 12% to 21%. In terms of share of funds raised, it increased from 3% in FY22 to 31% in FY23.

7.4 Borrowing Cost

FY23 witnessed a 250 bps rise in interest rates and a few of the lenders who had provided floating rate loans increased the interest rate on their existing exposures. Despite the reversal of the rate cycle from FY22 and the prevailing risk averse sentiment towards this segment, the average cost of borrowings on the total outstanding has increased by only 20 bps in FY23.



7.5 Credit Rating

The Company was successful in improving its credit rating from both its incumbent rating agencies. ICRA upgraded our Long-Term rating from ICRA BBB minus with a Negative outlook to ICRA BBB with a Stable outlook. CARE also revised its Long-Term rating from CARE BBB with a Stable outlook to CARE BBB with a Positive outlook. Additionally, we have received a fresh rating IND BBB+ with Stable outlook from India Ratings & Research Private Limited. The key factors cited by the rating agencies while taking this positive action were; the strengthened capital profile, improved scale of operations and significant improvement in asset quality.

7.6 Asset Liability Management

Kinara Capital has a conservative and prudent ALM policy. As a key strategy to manage healthy cash flows, the Company typically maintains three months of cash requirements in the form of undrawn limits or in cash equivalents. Post the onset of the pandemic, the amount of cash and cash equivalents held by the Company was significantly increased to approximately 20% of the total assets or equivalent to between 3 to 6 months of all outflows. In terms of structural liquidity, the Company has positive mismatches on a cumulative basis across all buckets.

7.7 Focus Areas

The Treasury team has outlined clear objectives from a future perspective so as to further strengthen the liability mix of the Company and enhance stability from a funding perspective so as to achieve targeted portfolio levels:

- Credit Rating: Continuously engage with Rating Agencies and highlight improved performance across all rating trigger metrics and endeavor to migrate to the “A” category at the earliest.

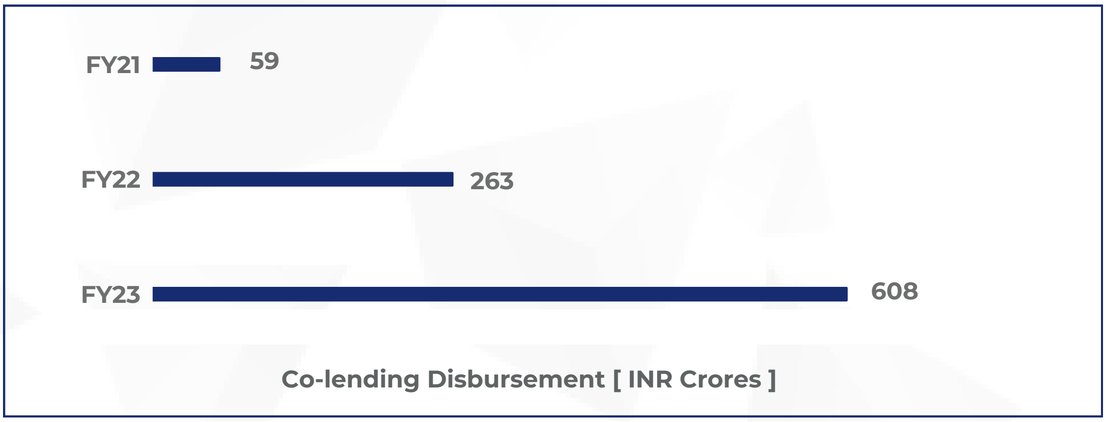
- PSU Banks: Increasing the proportion of PSU Banks in our liability mix is a key focus area. This represents a stable and low cost of financing which is essential for our next stage of growth. In July 2022, we successfully obtained a sanction from State Bank of India for a quantum of INR 50 crores. This we believe will be pivotal in obtaining other PSU Bank sanctions.

- Multilaterals and Development Finance Institutions (DFI’s): In addition to PSU Lenders mentioned above, Kinara Capital will also look to deepen engagements with various Multilaterals and Development Finance Institutions (DFI’s). Currently, we have a relationship with DFC by way of a non-fund-based exposure. As our scale increases, we are becoming eligible for direct funding by other DFI’s who have a requirement of a slightly larger ticket size for a transaction. Increased funding from this category will further help bring down our cost of debt on a relative basis. We are also endeavoring to access new pools of capital that will help us create a greater impact across the areas of Climate Change, Gender Lens and WASH financing.

7.8 Co-lending

Co-lending has been an important business line for Kinara Capital. We have added 7 partners over these years and have increased the disbursement through co-lending significantly from INR 59 croes in FY20 to INR 608 crores In FY23.

(Note: this represents only the partners share of disbursements, if one were to add Kinara Capital's share, the total disbursement numbers would be INR 76 crores in FY21, INR 333 crores in FY22 and INR 800 crores in FY23 respectively).



Consistent increase in this business at this scale demonstrates the demand for Kinara Capital's product and the partner's trust in our underwriting processes in the broader lending ecosystem. Our approach in this business has always been 'Our Product; Our Process; Our Tech.'

There is no differentiation made across any of our key processes, may it be loan origination, underwriting or collections. The way we process loans for our own book, we follow the same process for all our co-lending partners. We have a strong credit policy filter approved between us and our co-lending partner which is systematized and automated and hence, smoothens the entire process flow.

Our strong tech integration with all our co-lending partners, ensures a hassle free, fast disbursement to all our customers. Co-lending involves funding a customer typically in an 80:20 ratio where 80% is owned by the co-lending partner, thus, enabling Kinara Capital to leverage co-lending as a liability side strategy by allowing us to access other balance sheets to accelerate portfolio growth as well as utilize our capital in a more effective manner.
Kinara Capital envisages that co-lending will continue to be an important part of its business strategy going forward. Typically, we expect the co-lending portfolio to range between 20%-30% of our total portfolio.

7.9 Capital Adequacy

During FY23, Kinara Capital bolstered its Shareholders Funds by raising INR 400 croresof fresh equity. Post the equity raise, Capital Adequacy Ratio stood at 32.0% at the end of FY23 up from 18.5% at the end of FY22 (it may be noted here that the first round of equity infusion was completed in April 2022, the Company had already received regulatory approvals for the same prior to the end of FY22, hence the lower number was purely on account of timing. Immediately post infusion of the first tranche in April 2022, the Capital Adequacy stood at a healthy 38.6%).

Capital Adequacy Ratio	FY23	FY22
Risk Weighted Assets (INR Cr)	1,649	951
CRAR (Capital-to-Risk Ratio) (%)	32.0%	18.5%
Tier I Capital Ratio (%)	30.5%	16.7%
Tier II Capital Ratio (%)	1.5%	1.8%

8. Internal Control and Adequacy

Kinara Capital's Internal Quality Audit (IQA) functions independently under the supervision of the Audit and Compliance Committee of the Board, thereby ensuring its independence. The Committee meets every quarter to review the efficacy of the IQA function, the effectiveness of the internal controls of the company and the compliance to internal and regulatory guidelines.

Through a quarterly report, the IQA function provides independent assurance to the Audit Committee and Management on the quality and effectiveness of internal controls and governance systems and processes. While the company does not fall under the listed entities where RBI's guidelines on Risk Based Internal Auditing are mandatory, the company has adopted a Risk Based audit methodology that ensures risk assessment and management on an ongoing basis at the process level. The same is achieved through quarterly audits of all branches through which the
company operates and through audits of processes in the various departments and functions in the company's Head Office. The audit universe ensures comprehensive coverage of not only the branch operations but also applicable regulatory and statutory compliance requirements that are included in the Annual Audit Plan that is tabled and approved by the Audit Committee. Audit frequencies are in sync with the risk profile of the processes and branches.

Concurrent Audits, Thematic audits and consulting assignments as required by the Management also form part of the audit calendar of the IQA function. Audit outcomes drive required improvements to design, automation and operations through introduction of new policies and Standard Operating Procedures as well as improvement to existing ones.

Kinara Capital already uses a custom audit management platform to schedule field audits and score every branch and process. In FY24, the company's focus will be to design, build and operate an Integrated GRC Platform through which the Risk Management function and the Compliance function can ensure periodic self-assessment of both risks, controls and compliance and the IQA function can conduct both branch and process audits at Head Office through an automated, integrated system. The Platform will enable end to end automation to its users, thus improving audit efficiency and productivity and result in being compliant with not only the global best practices of Internal Audit but also the required RBI compliances on Risk Based Internal Audit and Regulatory and Statutory Compliances.

9. Whistle-blower Policy

The Vigil Mechanism (Whistle-blower) is to ensure the 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. At Kinara Capital, we are committed to conducting our business in accordance with applicable laws, rules, and regulations and the highest standards of business ethics, honesty, integrity, and ethical conduct. However, the possibility of malpractices occurring in an organization's operations can never be ruled out and ignorance of this possibility demonstrates poor judgment with potentially disastrous consequences. Therefore, one of the cornerstones of good corporate governance is the existence of a mechanism that lays down the principles and standards that should govern the actions of the Company, its Directors, and Employees and investigates complaints of malpractices with fairness.

10. Risk Management

10.1 Credit Risk

The MSME sector has gone through several shocks in recent times. Demonetisation came first, followed by GST implementation that took time to settle down, which was then followed by the downturn in the economy, Covid-19 and, most recently, geopolitical tensions such as the Russia-Ukraine war. The biggest hit came from the pandemic. According to government data, thousands of MSME units shut shop during this time. The sector faced challenges related to financial liquidity, increase in wages and salaries, inflationary pressures, etc. In addition, raw material prices also went up manifold, which led to an increase in the cost of production, thereby impacting cash flows and creating a larger working capital gap.

In the background of such times, management of credit risk in any organization is challenging. When the target segment is MSMEs, the risk factor is critical to how we run our business. At Kinara, we acknowledge the risk associated with funding such a segment. Parallelly, we also need to be cognizant that this is the sector which will take India to the next level in terms of growth in economy, employment and in making India self-reliant.

At Kinara Capital, we use an end to end digital platform from lead generation to underwriting to collections, monitoring and beyond. Without compromising on any of the credit risk aspects, our loan app, myKinara, helps a customer avail a business loan at his/her doorstep. The loan decision is automated through a proprietary data science driven credit model which considers all the variables which influence a loan decision, without subjectivity or human bias. Our risk management and analytical capabilities developed over the years have been combined in this app to mitigate risks and improve the profitability of our products.During FY22-23, we continued to invest and enhance our digital platform, recalibrated our underwriting criteria and fine-tuned the app for better credit management.

Some of the improvements include:

- Introduction of fraud alerts as part of the banking analysis
- Automation of anti-money laundering checks against OFAC, HM Treasury and RBI lists as part of the customer screening process.
- Fine-tuning the exclusion list to eliminate non-sourcing segments against a wider list including negative profiles mentioned under OFAC and EDFI lists*
- Exposure to customers rationalized based on the risk band that a customer is assigned by the credit model.
- Revised ESMS (Environment & Social Monitoring System) framework and guidelines

The Company has continued to build its Collections capacity with strong analytical backing through in-house developed Collection models for repayment reminder and field collections. Kinara's robust credit policies and processes have kept the Company on a solid footing, poised for growth, built on the foundation of a well-maintained portfolio.

In FY23-24, we will focus on the following to continue to manage credit risk:

1) Usage of Account Aggregators (AAs) to simplify the data collation from banking – both in terms of how we seek the data from customers and how we analyse. The process will be simpler, faster and more reliable through the usage of AA. We initiated the integration of AA via Sahamati, one of the leading AA service providers, to access banking transactions data of the customers who apply for a loan with us. This has multiple benefits for Kinara Capital since nearly 85% of our customers have accounts with Banks who are on the AA platform. With their consent, we should be able to extract and analyze in real time their banking history for better credit decisioning.

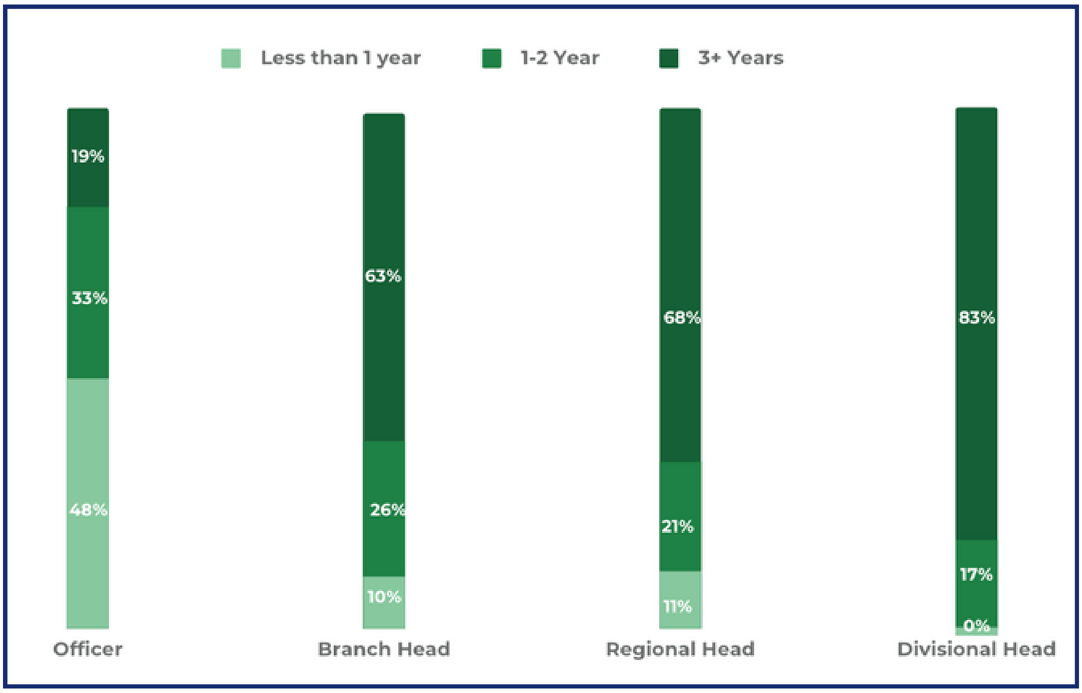
2) Introduction of ESG based approach to monitor and control our portfolio. Loans will be categorized based on the risk associated. The E&S Categorization has been designed in accordance with the reference framework and using parameters such as type of business, sector and sub-sector of loan transactions. This categorization will help in focusing on the loan portfolio that has a higher E&S risk potential.

3) Integration of C-KYC at the start of the customer journey to quickly validate and fasten the screening process.

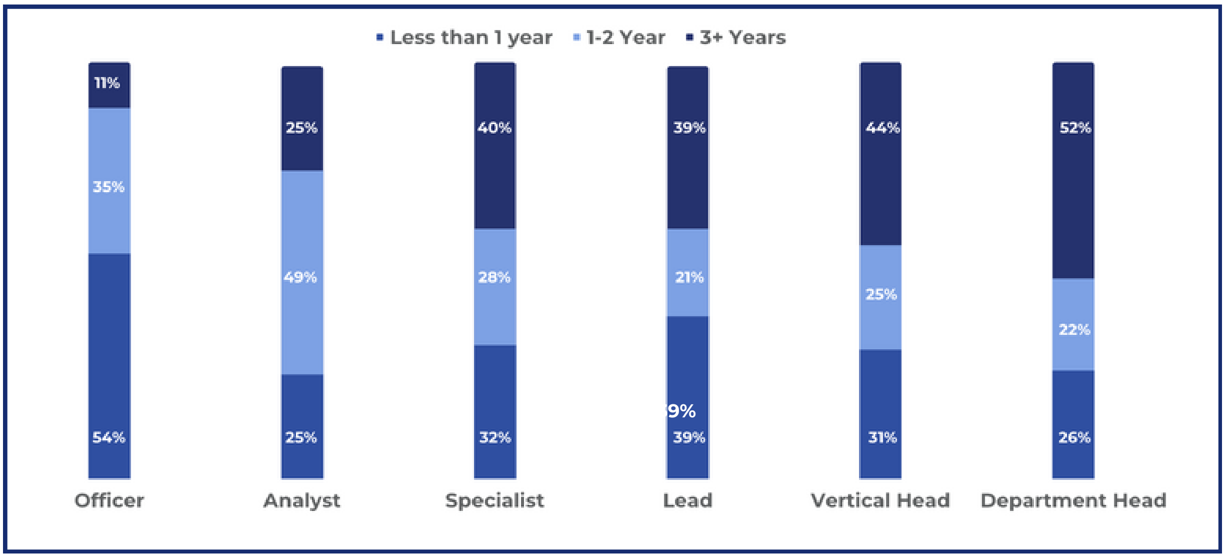
4) Rollout of a fast-track program where we will apply a differentiated approach to customers who have an established repayment history with us versus customers who are first time borrowers. We will reward loyalty and good credit history by fast tracking the decision process and hence, improving customer stickiness.

11. Human Capital Management

Employees are the most critical driver for Kinara Capital's growth and sustenance. As of March 2023, we had a total employee strength of 1548. We continue to adopt practices that enable us to attract and retain talent. We are passionate about creating a positive culture and productive workplace to foster personal and professional growth of our employees. With our employee value proposition, we have developed a deep bench of mid and senior management resources that manage our organization with more than 3+ years of experience. More than 50% of Head Office managerial staff have been with Kinara for 3+ years and this % increases to more than 2/3rd of field managerial staff with more than 3+ years of vintage at Kinara driving large number of field resources.



# of Years at Kinara - Field Employees



# of Years at Kinara - Head Office Employees

11.1 People Management

The Human Capital Management at Kinara compresses six functions to hire, retain and develop the Talent. Each function has its unique way to engage the employees and create a talent pool

- Talent Acquisition
- Talent Management
- Talent Development
- Compensation and Benefits
- Facilities and Administration

Talent Acquisition is a strategic function that aims to hire top talent and create a pipeline to support the business continuously and to drive organisational success while aligning with the company's values, culture and future goals. In FY23, we hired around 900 employees with a focus on increasing the diversity at the workplace. At our corporate office, we are nearing gender parity while we continue to extend opportunities for LGBTQ+ and specially abled people to find a meaningful career at Kinara. Our total female employees have increased from 209 to 264 representing 17% of the organization an increase of 2% from previous year.

As the hiring numbers are increasing year on year, Talent Management plays a crucial role of handling the full employee life cycle by creating a performance driven culture and enhancing the employee experience. Every year nearly 40% of employees get an opportunity to move to the next level via internal job promotions.

Talent Management team implements initiatives to promote equity at the workplace. No disparity is maintained in gender pay, creates policy and processes to ensure that fair practices are followed within the organisation and maintains morale across the organization.

We attempt to create a best employee experience across the organisation through various employee engagement initiatives including digital tools to recognise the employees, Empower Women's Club to create a platform for women to engage and learn from each other, and flexi-work hours/work from home programs for specific roles that account for ~20% of the company.

11.2 Career Building through Continuous Learning

Our Talent Development Team develops training programs across four categories for our employees across the organisation. In FY23, we have delivered 600+ training programs for all employees from self paced learning to leadership development programs.

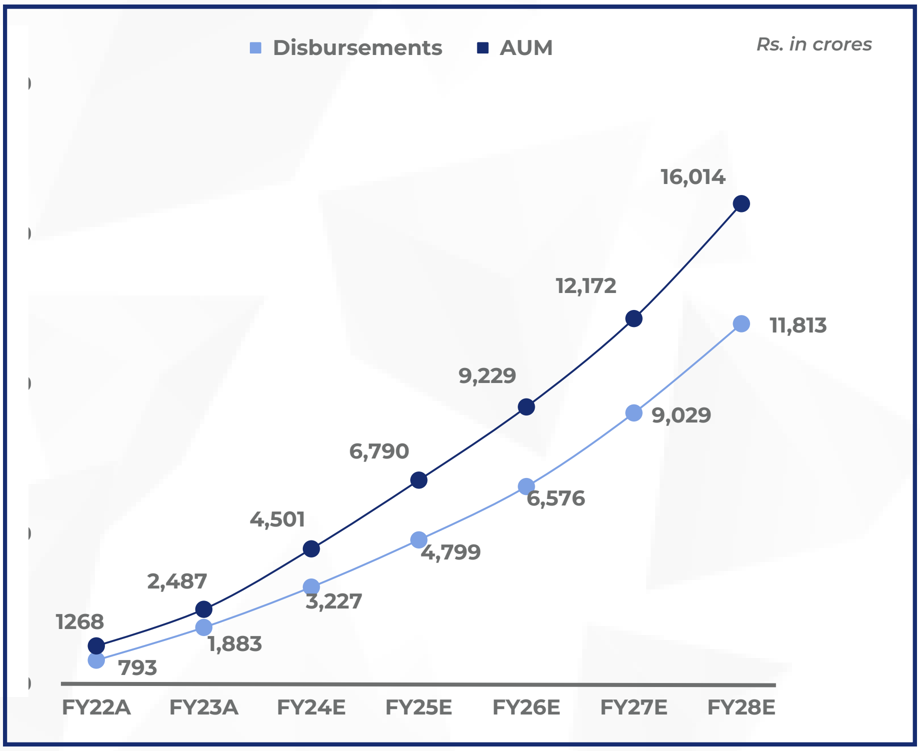
- Functional Trainings : Focuses on creating role specific journey programs for employees to understand their role and perform better. We delivered 120 sessions across 14,000 participants.
- Skill/Technical Trainings : Covers technical skills aspects to help employees to excel in their competencies. Nearly 900 participants availed this across 33 programs.
- Behavioral Trainings : Helps employees to improve their soft skills and maintain a standard culture across the organization. 93 different sessions were delivered with ~3600 participants.
- Compliance Training : Mandatory training for all employees to manage organization risk. Training included: Anti-Money Laundering, KYC, Counter-financing of Terrorism, Fair Practice Code, etc. All employees participated in these courses across 46 sessions through the year.

11.3 Employee Benefits

The Compensation and Benefits team focuses on creating the best compensation structure across all levels of the organisation. In FY23, we introduced a flexi benefits plan for employees to avail more benefits. Our medical, life and accidental insurance programs are curated based on the employee needs and in FY23, we increased the total benefits by 130% for the employees and their immediate family. We also launched the 24/7 Doctors-on-call benefits and multi speciality Doctor support for employees and their families.

12. Kinara Capital – Primed for Growth

India's favourable growth outlook in the near to medium term and its rapid transformation aided by the digital revolution unleashed over the last decade will lead to the creation of a once-in-a-generation growth supercycle. On account of its unique blended touch/tech business model, Kinara Capital is adequately placed to capitalize on this transformation and focus on growth.



Kinara's 5-Year Growth Plan

Kinara's expansion shall focus on the following key pillars:

12.1. Deeper Penetration in Existing Geographies and Expansion into newer Regions

There is a huge unmet demand in Kinara Capital's existing operating geographies which will be met in the next phase of growth. In the current Geographies that we operate in there are an estimated 23 million MSME businesses, of which the ones that fall into our target segment are 4.5 million MSMEs.

Of these, through our 125 branches as of FY23, we service ~33,000 customers. This is less than a 1% penetration of the existing market thus, presenting a huge potential to scale up just in our existing geographies.

Historically, Kinara Capital's expansion strategy has followed an adjacent states pattern. Expanding into contiguous states such as Rajasthan and Madhya Pradesh would provide an additional target customer base of 1.4million MSMEs and a total potential INR 55,000 crore disbursement opportunity across 8 states.

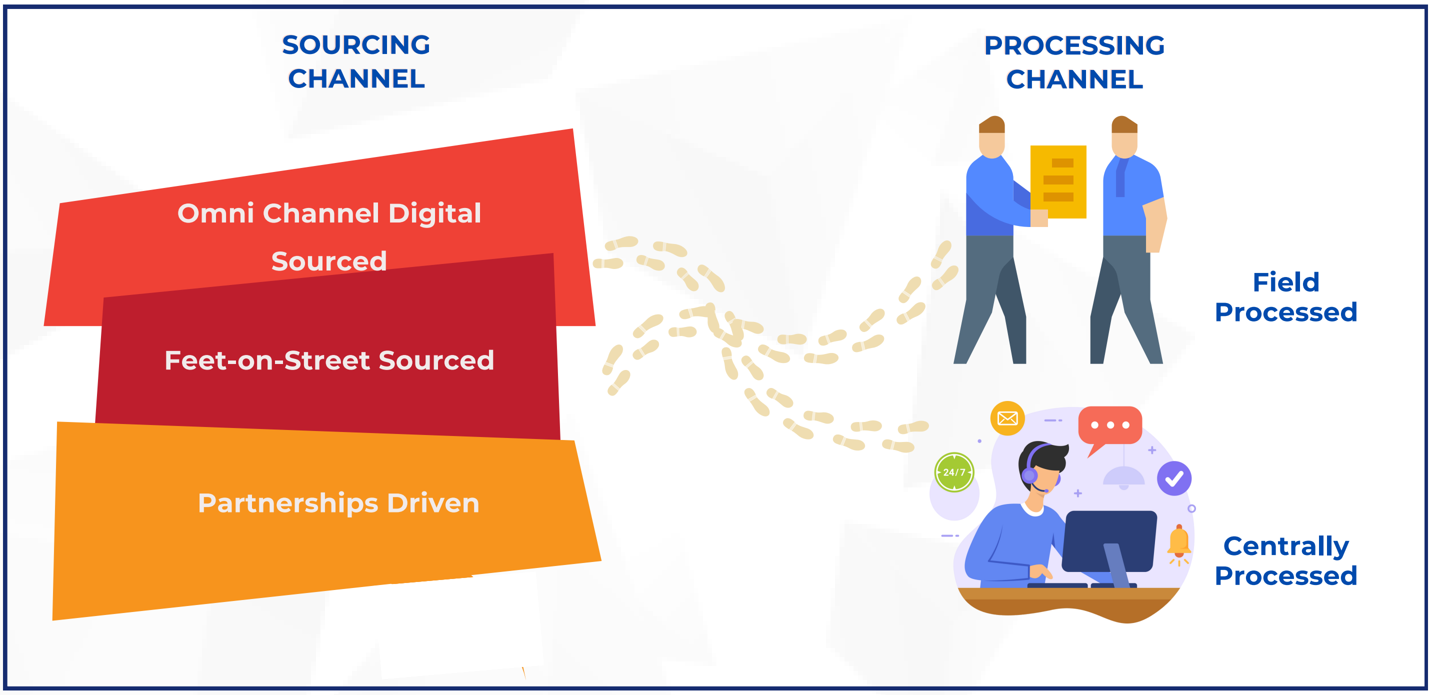
12.2. Expand Product Suite and Offer Value Added products/services

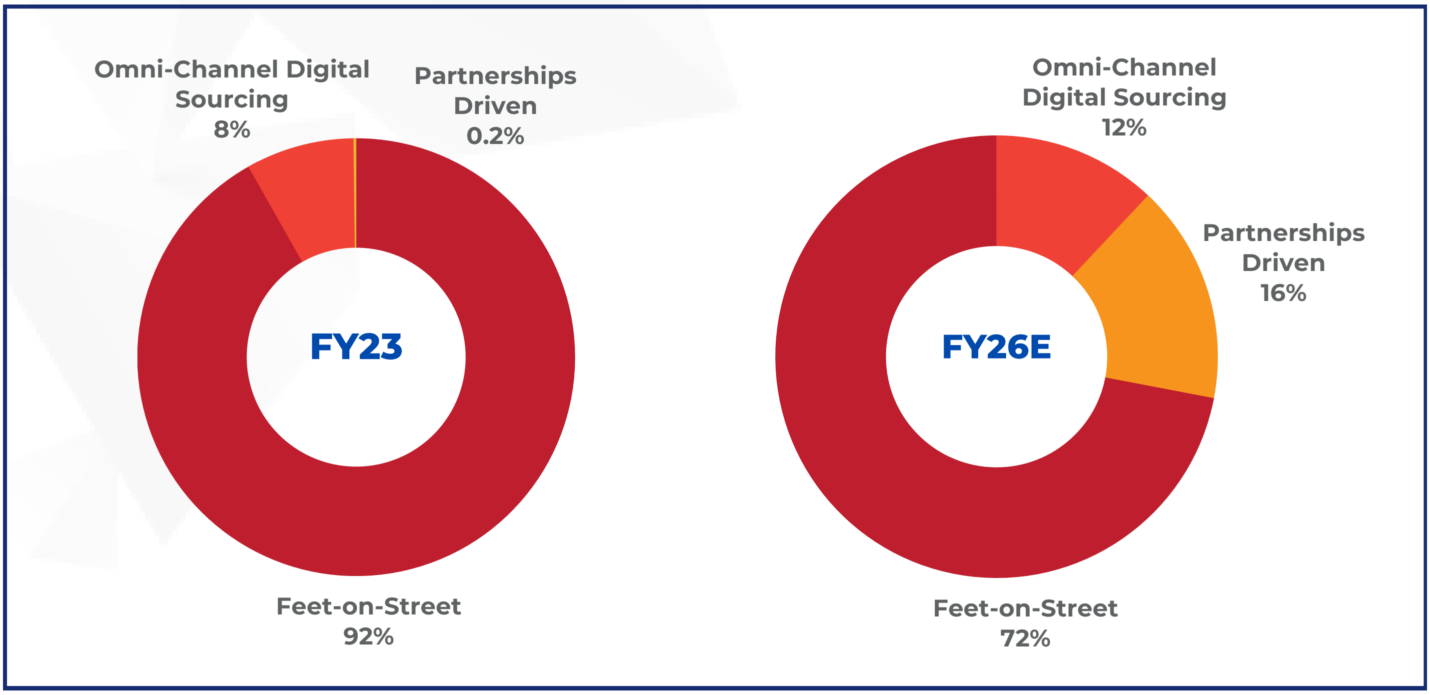
This next phase for Kinara will focus on products that serve the context based financial needs of our existing customer, and Embedded Finance products with digital and traditional services companies to expand financial inclusion to communities.

- Additional loan products: short term products with daily/weekly/bullet payment options, products with more flexibility such as grace period, holiday period, etc. products with purpose such as green finance products, water and sanitation products, etc.
- Offer Value Added Products to our customers: healthcare, insurance, etc. that are curated for our customer segment.
- Embedded Finance via partnerships with retail platforms, supply chain companies, logistics services companies,etc. to embed relevant financing options for players in their value chain.

12.3. Expand Sourcing Channels and Processing Pathways

Kinara Capital will focus on diversifying sourcing across feet-on-street, online and partnership channels. At the same time, regardless of the origination source, depending on different variables, we will focus on increasing speed of delivery/decision by processing more centrally or via partners to provide exemplary customer experience.
The sourcing model over the next three years will evolve significantly:





13. Looking Ahead

The key pillars that make Kinara's model uniquely positioned for growth and success are:

FAST GROWING TARGET CONSUMER

Catering to financing needs of the micro entrepreneurs, an under-penetrated segment; growing at 15-20% over past 5 years.

UNIQUELY POSITIONED, BLENDED MODEL

The only MSME player with "High Touch- High Tech" MSME lending model, last mile physical presence of 125 branches across 6 adjacent states and a strong integrated technology platform.

BATTLE TESTED OPERATIONAL FRAMEWORK

Kinara has a seasoned business model that withstood multiple macro events and continued to deliver value.

STRONG GOVERNANCE, STABLE MANAGEMENT

CXOs and key Department Heads have been in the company on average for 6+years.

CONSISTENTLY DELIVERED SCALE AND RETURNS

Demonstrated capability to grow with strong unit level economics and consistent profit performance.

GEARED FOR SUBSTANTIAL GROWTH

Kinara is poised to multiply its AUM to $1B in 3 years and ROE at ~21% by FY26.

CUSTOMER SPOTLIGHT

Pooja Patel
Jannat Couture, Gujarat

"HerVikas is particularly helpful for women entrepreneurs, giving the boost we need to take our businesses to the next level. Kinara offered exceptional service and met my capital requirements at a critical juncture."

Pooja faced multiple rejections from banks despite running a well-established business. To her delight, Kinara sanctioned and promptly disbursed her business loan and gave her an upfront discount. Kinara's support enabled Pooja to initiate an online business and she has grown her business from 2 machines to 7 machines. Her boutique now employs 10 individuals, all of whom she mentors to eventually become entrepreneurs themselves.

"I received my loan in just 2 days and it has transformed my business. I have been able to expand my premises and increase my workforce from 5 to 30 employees."

Hirenbhai started small, with just 4-5 employees working on a shop floor. He wanted to accelerate his production efficiency to meet the increasing demand for his products and this required space. With a fast loan from Kinara Capital, he immediately moved to a 3,000 sq ft facility and increased his workforce. His turnover has increased by 65% to now making INR 2 crores a year.

Hirenbhai Radadiya
Greentech Engineering , Gujarat

INDEPENDENT AUDITOR’S REPORT

INDEPENDENT AUDITOR’S REPORT

To the Members of Visage Holdings and Finance Private Limited

Report on the Audit of Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS Financial Statements of Visage Holdings and Finance Private Limited (“the Company”), which comprise the Balance Sheet as at 31 March 2023, and the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as “Ind AS financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS Financial Statements give the information required by the Companies Act, 2013, as amended (“the Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards (“Ind AS”) prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, of the state of affairs of the Company as at 31 March 2023, and its profit including Other Comprehensive Income, its Cash Flows and its Changes in Equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 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 audit opinion on the Ind AS Financial Statements.

Key Audit Matters

Key audit matters are those matters that in our professional judgment, were of most significance in our audit of the Ind AS Financial Statements for the financial year ended 31 March 2023. These matters were addressed in the context of our audit of the Ind AS Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Ind AS Financial

Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Ind AS Financial Statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Ind AS Financial Statements.

Key Audit Matters (Continued)

Key audit matters	How our audit addressed the key audit matter
(a) Impairment of loan assets as at balance sheet date (expected credit losses) As described in note 43 of the Ind AS Financial Statements	
Ind AS 109: Financial Instruments ("Ind AS 109") requires the Company to provide for impairment of its loan assets using the expected credit loss (ECL) approach. ECL involves an estimation of probability- weighted loss on financial instruments over their life, considering reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions which could impact the credit quality of the Company's loans and advances. In this process, a significant degree of judgement has been applied by the management for: a) Defining staging of loans (i.e. classification in 'significant increase in credit risk' ("SICR") and 'default' categories); b) Grouping of borrowers based on homogeneity by using appropriate statistical techniques; c) Estimation of behavioural life; d) Estimation of losses for loan products with no / minimal historical default; and e) Management overlay for macro-economic factors and estimation of their impact on the credit quality. In the view of such high degree of management's judgement involved in estimation of ECL, it is identified as key audit matter.	Our audit procedures included the following: • Evaluated the Company's accounting policies for impairment of loan assets and assessed compliance with the policies in terms of Ind AS 109 and with the governance framework approved by the Board of Directors pursuant to Reserve Bank of India guidelines issued on 13 March 2020. • Evaluated the management estimates by understanding the process of ECL estimation and related assumptions and tested the controls around data extraction and validation • Assessed the criteria for staging of loans based on their past-due status to evaluate compliance with requirement of Ind AS 109. • Tested the ECL model, including assumptions and underlying computation. Tested the input data used for determining the Probability of default and loss given default rates and agreed the data with the underlying books of account and records. • Tested the arithmetical accuracy of computation of ECL provision performed by the Company. • Read and assessed adequacy of the disclosures included in the financial statements in respect of ECL with the requirements of Ind AS 107 Financial Instruments: Disclosure ("Ind AS 107") and Ind AS 109.
(b) Information technology ('IT') systems and controls	
The financial accounting and reporting systems of the Company are fundamentally reliant on IT systems and IT controls to process significant transaction volumes. Automated accounting procedures and IT environment controls, which include IT governance, general IT controls over program development and changes, access to programs and data and IT operations, are required to be designed and to operate effectively to ensure appropriate financial reporting Therefore, due to the pervasive nature and complexity of the IT environment, the assessment of the general IT controls and the application controls specific to the accounting and preparation of the financial information is considered to be a key audit matter.	Our audit procedures, with support from IT specialists, included the following: • Tested the design and operating effectiveness of IT access controls over the information systems that are critical to financial reporting. • Tested IT general controls (such as logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorised. • Tested the Company's periodic review of access rights. We inspected requests of changes to systems for appropriate approval and authorisation. • In addition to the above, we tested the design and operating effectiveness of certain application controls (automated and IT dependent manual controls) that were considered as key internal controls over financial reporting. • Where deficiencies were identified, we tested compensating controls or performed alternate procedures

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the Board's Report ("other information"), but does not include the Ind AS Financial Statements and our auditor's report thereon.

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

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 Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including Other Comprehensive Income, Cash Flows and Changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended. 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 implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS Financial Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Ind AS 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

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

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

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

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 Ind AS Financial Statements for the financial year ended 31 March 2023 and are therefore the key audit matters. We describe these matters in our auditor's 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 of the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

The audit of Ind AS financial statements for the year ended March 31, 2022, was carried out and reported by the previous year's auditors, vide their unmodified audit report dated April 27, 2022, whose report has been furnished to us by the management and which has been relied upon by us for the purpose of our audit of the Ind AS financial statements.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. 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 the Statement of Other Comprehensive Income, and the Statement of Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules,2015, as amended;

   (e) On the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 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 over financial reporting of the Company with reference to these Ind AS Financial Statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure2";

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 on its financial position in its financial statements – Refer Note 40 (a) to the financial statements;

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses for derivative contracts – Refer Note 14 to the Ind AS financial statements. The Company did not have any other long term contracts;

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

iv. (a)The Management has represented that, to the best of it's knowledge and belief, as disclosed in note 54 (a) (a) to the accounts, during the year no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b)The Management has represented, that, to the best of it's knowledge and belief, as disclosed in note 54 (a) (b) to the accounts, during the year no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c)Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to the notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.

(d)As per the proviso to rule 3(1) of Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f April 01, 2023, reporting under this clause is not applicable.

v. The Company has not declared or paid any dividend during the year.

langla & Co. LLP
tered Accountants
No. 002391C/N500069

reet Singh Bedi
ıer
ıbership No.: 601788
I: 23601788BGVLHO4497

: Mumbai
: 28 April 2023

Annexure 1 referred to in paragraph 1 under the heading 'Report on other legal and regulatory requirements' of our report of even date.

Re: Visage Holdings and Finance Private Limited ('the Company')

(i) (a)(A) The Company has maintained proper records showing full particulars, including quantitative details and the situation of Property, Plant and Equipment.

(a)(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a regular programme of physical verification of its fixed assets including property, plant and equipment by which the fixed assets including property, plant and equipment and are verified by the management according to a phased programme designed to cover all the hub over a period of one year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with the policy, the Company has physically verified certain property, plant and equipment during the year and no discrepancies were noticed in respect of assets verified during the year.

(c) There is no immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), held by the Company and accordingly, the requirement to report on clause 3(i)(c) of the Order is not applicable to the Company.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) and intangible assets during the year ended 31 March 2023.

(e) According to information and explanations given to us, there are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The Company's business does not require maintenance of inventories and, accordingly, the requirement to report on clause 3(ii)(a) of the Order is not applicable to the Company.

(b) The Company has not been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks or financial institutions during any point of time of the year on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) (a) The Company's principal business is to give loans accordingly, Clause 3(iii)(a) of the Order is not applicable to the Company

(b) During the year the terms and conditions of the grant of all loans and advances to Companies, firms, Limited Liability Partnerships or any other parties are not prejudicial to the Company's interest.(c) In respect of loans granted to Companies, firms, Limited Liability Partnerships or any other parties, the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular except in the following cases:

Sector	Amount (in Rs. lakhs)	Due date	Extent of delay (in days)	Remarks, if any
MSME Loans	14,628	Various due dates	More than one day	-

(d) The following amounts are overdue for more than ninety days from Companies to whom loan has been granted, and reasonable steps have been taken by the Company for recovery of the overdue amount of principal and interest:

Sector	No. of cases	Total Overdue (in Rs. lakhs)	Remarks, if any
MSME Loans	2,942	7,395	-

(e) The Company's principal business is to give loans. Accordingly, the provision of Clause 3(iii)(e) of the Order is not applicable to the Company.

(f) According to information and explanations given to us, the Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to Promoters, related parties as defined in clause 2(76) of Companies Act, 2013.

(iv) In our opinion and according to the information and explanations given to us, provisions of sections 185 and 186 of the Companies Act, 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and guarantees, and securities given have been complied with by the Company.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(vi) The Company is not in the business of sale of any goods or provision of such services as prescribed. Accordingly, the requirement to report on clause 3(vi) of the Order is not applicable to the Company.

(vii) (a) According to the information and explanations given to us, the Company have generally been regular in depositing with appropriate authorities though there has been slight delay in a few cases of undisputed statutory dues including goods and services tax, provident fund, income-tax, employee state insurance corporation and other statutory dues applicable to it. The provisions relating to duty of customs, sales-tax, duty of excise and value added tax are currently not applicable to Company. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) According to the records of the Company, the dues of goods and services tax, income-tax, sales-tax, service tax, and other statutory dues have not been deposited on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount involved (Rs. in lakhs)	Amount Unpaid (Rs. in lakhs)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act 1961	Income Tax Demand	111.86	-	AY 2018-19	Commissioner of Income-tax (Appeals)

(viii) According to the information and explanations given to us, the Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Hence, the provision stated in paragraph 3(viii) of the Order is not applicable to the Company.

(ix) (a) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any financial institutions, banks and debenture holders. The Company has not taken any loans or borrowings from Government.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared a wilful defaulter by any bank or financial institution or government or any government authority.

(c) According to the information and explanations given to us and the audit procedures performed by us, money raised by way of term loans were applied for the purpose for which the loans were obtained.

(d) According to the information and explanations given to us and the audit procedures performed by us and on an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.

(f) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on Clause 3(ix)(f) of the Order is not applicable to the Company.

(x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has complied with provisions of sections 62 of the Companies Act, 2013 in respect of the private placement of shares during the year. The funds raised have been used for the purposes for which the funds were raised.

(xi) (a) According to the information and explanations given to us, no material fraud by the Company or on the Company has been noticed or reported during the year.

(b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by a secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle-blower complaints received by the company during the year.

(xii) The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clauses 3(xii)(a), (b) and (c) of the Order is not applicable to the Company.

(xiii) According to the information and explanations are given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the notes 39 to the financial statements, as required by the applicable accounting standards.

(xiv) (a) According to the information and explanations are given to us, the Company has an internal audit system commensurate with the size and nature of its business.

(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

(xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence the requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) According to the information and explanations given to us and audit procedures performed by us, the Company has registered as as Non-Banking Institution as a Non-Deposit taking Systemically Important (NBFC-ND-SI) Company under section 45-IA of the Reserve Bank of India Act, 1934.

(b) The Company has not conducted any Non-Banking Financial without obtaining a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(c) The Company is not a Core Investment Company as defined in the regulations made by the Reserve Bank of India. Accordingly, the requirement to report on clause 3(xv)(c) of the Order is not applicable to the Company.

(d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xv)(d) of the Order is not applicable to the Company.

(xvii) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has not incurred cash losses in the current year and in the immediately preceding financial year respectively.

(xviii) The previous statutory auditors of the Company have resigned during the year and we have taken into consideration the issues, objections or concerns raised by the outgoing auditors.

(xix) On the basis of the financial ratios disclosed in note 45 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 33 to the financial statements.

(xxi) (b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note 33 to the financial statements.

(xxii) The Company does not prepare consolidated financial statements, hence the requirement to report on clause 3(xxi) of the Order is not applicable to the Company

For Nangia & Co. LLP
Chartered Accountants
FRN No. 002391C/N500069

Jaspreet Singh Bedi
Partner
Membership No.: 601788
UDIN: 23601788BGVLHO4497

Place: Mumbai
Date: 28 April 2023

"ANNEXURE 2" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF VISAGE HOLDINGS AND FINANCE PRIVATE LIMITED

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements in the Independent Auditors' Report of even date to the Visage Holdings and Finance Private Limited on the Financial Statements for the year ended March 31, 2023].

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

To
The Member of
Visage Holdings and Finance Private Limited

We have audited the internal financial controls over financial reporting of Visage Holdings and Finance Private Limited ("the Company") as of 31 March 2023 in conjunction with our audit of the Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 Ind AS 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 system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2023 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Nangia & Co. LLP
Chartered Accountants
FRN No. 002391C/N500069

Jaspreet Singh Bedi
Partner
Membership No.: 601788
UDIN: 23601788BGVLHO4497

Place: Mumbai
Date: 28 April 2023

Visage Holdings and Finance Private Limited
Balance Sheet as at 31 March 2023
(All amounts are in INR lacs except share data and unless otherwise stated)

Particulars	Note	As at 31 March 2023	As at 31 March 2022
ASSETS			
Financial assets			
Cash and cash equivalents	3	52,702.58	31,269.75
Bank balance other than cash and cash equivalents	4	8,915.77	1,388.81
Derivative financial instruments	14	86.23	-
Loans	5	1,61,588.36	98,825.17
Investments	6	115.13	108.51
Other financial assets	7	21,274.94	9,254.93
Total financial assets		2,44,683.01	1,40,847.17
Non-financial assets			
Current tax assets (net)	8	750.97	912.83
Deferred tax assets (net)	9	-	232.31
Property, plant and equipment	10	387.92	393.35
Intangible assets under development	11	-	-
Other intangible assets	12	288.01	384.65
Right-of-use assets	36	2,325.23	725.93
Other non-financial assets	13	2,028.57	2,472.44
Total non-financial assets		5,780.70	5,121.51
Total assets		2,50,463.71	1,45,968.68
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Derivative financial instruments	14	-	198.03
Trade Payables	15		
(i) total outstanding dues of micro enterprises and small enterprises		25.23	18.83
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		209.28	146.13
Debt securities	16	73,800.60	59,944.64
Borrowings (other than debt securities)	17	90,530.72	48,894.36
Subordinated liabilities	18	2,213.52	4,865.47
Lease Liabilities	36	2,408.79	833.44
Other financial liabilities	19	10,961.89	5,916.55
Total financial liabilities		1,80,150.03	1,20,817.45
Non-financial liabilities			
Deferred tax liabilities (net)	9	979.64	-
Provisions	20	554.05	371.85
Other non-financial liabilities	21	424.91	248.70
Total non-financial liabilities		1,958.60	620.55
EQUITY			
Equity share capital	22	1,279.59	675.97
Other equity	23	67,075.49	23,854.71
		68,355.08	24,530.68
Total liabilities and equity		2,50,463.71	1,45,968.68
Significant accounting policies	2		
Notes to the financial statements	3 - 55		

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For Nangia & Co. LLP
Chartered Accountants
ICAI Firm registration No: 002391C/N500069

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

Jaspreet Singh Bedi
Partner
Membership No.: 601788
Place : Mumbai
Date : 28 April 2023

Hardika Shah
Director and Chief Executive officer
DIN : 03562871
Place : Bengaluru
Date : 28 April 2023

R.Thirunavukkarasu
Director
DIN: 06514712
Place : Bengaluru
Date : 28 April 2023

Aiswarya Ravi
Chief Financial Officer
Place : Bengaluru
Date : 28 April 2023

Kanti Hegde
Company Secretary
Place : Bengaluru
Date : 28 April 2023

Visage Holdings and Finance Private Limited
Statement of Profit and Loss for the period ended 31 March 2023
(All amounts are in INR lacs except share data and unless otherwise stated)

		Note	For the year ended 31 March 2023	For the year ended 31 March 2022
	Revenue from operations			
	Interest income	24	38,418.36	21,417.53
	Fees and commission income	25	604.21	734.68
	Net gain on fair value changes	26	94.83	9.41
	Net gain on derecognition of financial instruments	27	10,020.82	6,339.06
(I)	Total revenue from operations		49,138.22	28,500.68
(II)	Other income	28	25.10	87.03
(III)	Total income (I+II)		49,163.32	28,587.71
	Expenses			
	Finance costs	29	18,268.08	11,691.42
	Impairment on financial instruments	30	9,165.19	3,884.68
	Employee benefits expenses	31	10,358.64	6,571.70
	Depreciation, amortisation and impairment	32	872.26	629.09
	Others expenses	33	5,084.21	3,939.91
(IV)	Total expenses		43,748.38	26,716.80
(V)	Profit before tax (III-IV)		5,414.94	1,870.91
(VI)	Tax expense:			
	(1) Current tax - Current Year	9	-	-
	- Earlier Year		1.98	(69.76)
	(2) Deferred tax charge	9	1,293.82	481.48
			1,295.80	411.72
(VII)	Profit for the year (V-VI)		4,119.14	1,459.19
(VIII)	Other comprehensive income			
A	(i) Items that will not be classified to profit or loss			
	- Remeasurement of the defined benefit plans		(13.63)	(27.63)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		3.43	6.95
	Subtotal (A)		(10.20)	(20.68)
B	(i) Items that will be reclassified to profit or loss			
	- Debt instruments through other comprehensive income		(200.06)	(13.47)
	- Income tax on above		50.36	3.39
	- Cash flow hedge reserve		(111.56)	(50.82)
	- Income tax on above		28.08	12.79
	Subtotal (B)		(233.18)	(48.11)
	Other comprehensive income (A + B)		(243.38)	(68.79)
(IX)	Total comprehensive income for the year		3,875.76	1,390.40
(X)	Earnings per equity share			
	Basic (₹)	37	36.56	21.69
	Diluted (₹)	37	36.16	21.38
	Significant accounting policies	2		
	Notes to the financial statements	3 - 55		
	The accompanying notes form an integral part of the financial statements			

As per our report of even date attached

For Nangia & Co. LLP
Chartered Accountants
ICAI Firm registration No.: 002391C/N500069

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

Jaspreet Singh Bedi
Partner
Membership No.: 601788
Place : Mumbai
Date : 28 April 2023

Hardika Shah
Director and Chief Executive officer
DIN : 03562871
Place : Bengaluru
Date : 28 April 2023

R.Thirunavukkarasu
Director
DIN: 06514712
Place : Bengaluru
Date : 28 April 2023

Aiswarya Ravi
Chief Financial Officer
Place : Bengaluru
Date : 28 April 2023

Kanti Hegde
Company Secretary
Place : Bengaluru
Date : 28 April 2023

Visage Holdings and Finance Private Limited
Statement of Changes in Equity for the year ended 31 March 2023
(All amounts are in INR lacs except share data and unless otherwise stated)

a. Equity share capital

Balance as at 31 March 2021	Changes in equity share capital during the year	Balance as at 31 March 2022	Changes in equity share capital during the year	Balance as at 31 March 2023
670.85	5.12	675.97	603.62	1,279.59

b. Other equity

Particulars	Reserve and Surplus					Items of other comprehensive income		Total
	Statutory Reserves	Impairment Reserve	Securities Premium	Share option Outstanding	Retained Earnings	Debt instruments (Loans) through Other Comprehensive Income	Effective portion of Cash Flow Hedges	
Balance as at 31 March 2021	808.79	23.96	20,921.72	260.98	437.26	(39.06)	-	22,413.65
Profit for the year	-	-	-	-	1,459.19	-	-	1,459.19
Other comprehensive income (net of tax)	-	-	-	-	(20.68)	(10.08)	(38.03)	(68.79)
Transfer to/(from) retained earnings	291.84	-	-	-	(291.84)	-	-	-
Net proceeds from issue of shares	-	-	-	-	-	-	-	-
Share based payment expense	-	-	-	50.66	-	-	-	50.66
Balance as at 31 March 2022	1,100.63	23.96	20,921.72	311.64	1,583.93	(49.14)	(38.03)	23,854.71
Profit for the year	-	-	-	-	4,119.14	-	-	4,119.14
Other comprehensive income (net of tax)	-	-	-	-	(10.20)	(149.70)	(83.48)	(243.38)
Transfer to/(from) retained earnings	823.83	-	-	-	(823.83)	-	-	-
Net proceeds from issue of shares	-	-	38,969.54	-	-	-	-	38,969.54
Share based payment expense	-	-	-	385.48	-	-	-	385.48
Balance as at 31 March 2023	1,924.46	23.96	59,881.26	697.12	4,869.04	(198.84)	(121.51)	67,076.49

Note 23 describes the purpose of each reserve within equity

Significant accounting policies 2
Notes to the financial statements 3 - 55
The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For Nangia & Co. LLP
Chartered Accountants
ICAI Firm registration No.: 002391C/N500069

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

Jaspreet Singh Bedi
Partner
Membership No.: 601788
Place : Mumbai
Date : 28 April 2023

Hardika Shah
Director and Chief Executive officer
DIN : 03562871
Place : Bengaluru
Date : 28 April 2023

R.Thirunavukkarasu
Director
DIN: 06514712
Place : Bengaluru
Date : 28 April 2023

Aiswarya Ravi
Chief Financial Officer
Place : Bengaluru
Date : 28 April 2023

Kanti Hegde
Company Secretary
Place : Bengaluru
Date : 28 April 2023

Visage Holdings and Finance Private Limited
Statement of Cash Flows for the year ended 31 March 2023
(All amounts are in INR lacs except share data and unless otherwise stated)

		For the year ended 31 March 2023	For the year ended 31 March 2022
A.	Cash flow from operating activities		
	Profit before tax for the year	5,414.94	1,870.91
	Adjustments for :		
	Depreciation and amortisation expense	872.26	629.09
	Interest Income	(38,418.36)	(21,417.53)
	Finance Cost	18,268.08	11,691.42
	Impairment on financial assets	9,165.19	4,223.02
	Net (gain) on fair value changes	(10,115.65)	(6,348.47)
	Net loss/(gain) on derecognition of property, plant and equipment	(1.44)	4.11
	Share based compensation payments	385.48	50.66
	Operating cash flow before working capital changes	(14,429.50)	(9,296.79)
	Movement in working capital:		
	(Increase) in loans	(70,382.33)	(16,078.79)
	(Increase) in other financial assets	(3,500.84)	(727.29)
	Decrease/(Increase) in other non financial assets	514.36	(161.08)
	Increase in trade payables	69.55	31.82
	Increase in other financial liabilities	4,940.69	1,271.33
	Increase in provisions	168.57	72.39
	Increase in other non financial liabilities	176.21	48.65
	Cash (used in) operations before adjustments for interest received and interest paid	(82,443.29)	(24,839.76)
	Interest Received	38,166.77	19,612.52
	Interest (Paid)	(18,343.88)	(11,909.55)
	Cash (used in) operations	(62,620.40)	(17,136.79)
	Income taxes refund/(paid)	159.88	(182.51)
	Net cash (used in) operating activities (A)	(62,460.52)	(17,319.30)
B.	Cash flow from investing activities		
	Purchase of property, plant and equipment and intangible assets	(378.28)	(310.17)
	Proceeds from sale of property, plant and equipment	8.19	28.32
	Change in other bank balances (net)	(7,415.19)	(210.79)
	Income on Investment measured at FVTPL	88.21	3.29
	Net cash (used in) investing activities (B)	(7,697.07)	(489.35)
C.	Cash flow from financing activities		
	Proceeds from issue of equity shares including securities premium (net)	39,563.16	5.12
	Proceeds from borrowings through Debt Securities	29,400.13	38,270.96
	Repayment of borrowings through Debt Securities	(15,378.32)	(7,339.27)
	Proceeds from Borrowings (Other than Debt Securities)	73,618.00	36,320.00
	Repayments of Borrowings (Other than Debt Securities)	(32,261.60)	(36,925.37)
	Repayments of Subordinated liabilities	(2,699.99)	-
	Payment of Lease liabilities (including interest)	(650.96)	(322.99)
	Net cash generated from financing activities (C)	91,590.42	30,008.44
	Net increase in cash and cash equivalents (A+B+C)	21,432.83	12,199.79
	Cash and cash equivalents at the beginning of the year	31,269.75	19,069.96
	Cash and cash equivalents at the end of the year	52,702.58	31,269.75

Visage Holdings and Finance Private Limited

Statement of Cash Flows for the year ended 31 March 2023 (Continued)

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

	For the year ended 31 March 2023	For the year ended 31 March 2022
Components of Cash and cash equivalents		
Cash and cash equivalents at the end of the year		
Cash on hand	16.08	9.58
Balances with banks		
In current account	19,079.31	6,282.89
In deposits with original maturity of 3 months or less	33,607.19	24,977.28
Total	52,702.58	31,269.75

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 Nangia & Co. LLP
Chartered Accountants
ICAI Firm registration No.: 002391C/N500069

Jaspreet Singh Bedi
Partner
Membership No.: 601788
Place : Mumbai
Date : 28 April 2023

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 : Bengaluru
Date : 28 April 2023

R.Thirunavukkarasu
Director
DIN: 06514712
Place : Bengaluru
Date : 28 April 2023

Aiswarya Ravi
Chief Financial Officer
Place : Bengaluru
Date : 28 April 2023

Kanti Hegde
Company Secretary
Place : Bengaluru
Date : 28 April 2023

Visage Holdings and Finance Private Limited
Notes to the Financial Statements
For the year ended 31 March 2023

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 Bengaluru based social business that provides loans to Micro and Small businesses engaged primarily in manufacturing, trading and service operations. VHFPL helps develop business sustainability for these enterprises by providing asset or working capital loans without requiring land/property collateral. As at 31 March 2023, Kinara Capital (the brand under which VHFPL operates) has expanded its operations in 125 branches across 6 States and 1 Union Territory.

2. Significant Accounting Policies

2.1 Basis of preparation

The financial statements for the year ended 31 March 2023 have been prepared by the Company in accordance with Indian Accounting Standards ("Ind AS") per the Companies (Indian Accounting Standards) Rules 2015 as amended and notified under section 133 of the Companies Act, 2013 ('the Act'), and in conformity with the accounting principles generally accepted in India and other relevant provisions of the Act. Further, the Company has complied with all the directions related to implementation of Indian Accounting Standards prescribed for Non-Banking Financial Companies (NBFCs) in accordance with the RBI notification no. RBI/2019-20/170 DOR NBFC). CC.PD.No.109/22.10.106/2019-20 dated 13 March 2020.

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

The Company consistently applies the following accounting policies to all periods presented in these financial statements, unless otherwise stated.

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 or loss (FVTPL) that is measured at fair value.
iii) Net defined benefit (asset)/ liability - present value of unfunded obligation
iv) Share based payments.
v) Derivative financial instruments

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.

Visage Holdings and Finance Private Limited
Notes to the Financial Statements (Continued)
For the year ended 31 March 2023

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 life cycle 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]

(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 41]

(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]

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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.

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 Company 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 after netting off servicing liabilities or servicing assets.

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.

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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.

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 or 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.

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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 or 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 are based 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.

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

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- 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 are 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.

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.

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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 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.

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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

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 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.

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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.

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 are 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.

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(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.

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 other comprehensive income ("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.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

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.

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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.

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, subordinated debts and commercial paper. Finance costs are charged to the Statement of profit and loss. 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 or other comprehensive income as permitted under relevant Ind AS. 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 or other comprehensive income as permitted under the relevant Ind AS 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 Derivative financial instruments

The Company has entered into derivative financial instruments to manage its exposure to interest rate risk and foreign exchange rate risk. Derivatives held by the Company are Cross Currency Interest Rate Swaps (CCIRS). Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each Balance Sheet date. The resulting gain/loss is recognised in the Statement of Profit and Loss immediately unless the derivative is designated and is effective as a hedging instrument, in which event the timing of the recognition in the Statement of Profit and Loss depends on the nature of the hedge relationship. The Company has designated derivatives as cash flow hedges of a recognised liability and has no fair value hedges. A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability.

Hedge accounting

The Company makes use of derivative instruments to manage exposures to interest rate risk and foreign currency risk. In order to manage particular risks, the Company applies hedge accounting for transactions that meet specified criteria. At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the Company would assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

During the year, hedges that meet the criteria for hedge accounting and qualify as cash flow hedges are accounted as follows:

Cash flow hedge

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability and could affect profit or loss. For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognised directly in OCI within equity (cash flow hedge reserve). The ineffective portion of the gain or loss on the hedging instrument is recognised immediately as finance cost in the Statement of Profit and Loss. When the hedged cash flow affects the Statement of Profit and Loss, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the Statement of Profit and Loss. When a hedging instrument expires, is sold, terminated, exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss that has been recognised in OCI at that time remains in OCI and is recognised when the hedged forecast transaction is ultimately recognised in the statement of profit and loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in OCI is immediately transferred to the statement of profit and loss.

2.19 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 52 for details on segment information presented.

2.20 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.

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.

Visage Holdings and Finance Private Limited
Notes to the Financial Statements (Continued)
For the year ended 31 March 2023

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.

2.21 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.

Visage Holdings and Finance Private Limited
Notes to financial statements for the year ended 31 March 2023 (Continued)
(All amounts are in INR lacs except share data and unless otherwise stated)

	As at 31 March 2023	As at 31 March 2022
3 Cash and cash equivalents		
Cash on hand	16.08	9.58
Balances with banks		
In current account	19,079.31	6,282.89
In deposits with original maturity of 3 months or less	33,607.19	24,977.28
Total	52,702.58	31,269.75
4 Bank balance other than cash and cash equivalents		
Lien marked deposits with Bank	8,915.77	1,388.81
Total	8,915.77	1,388.81

Balances with banks held (excluding interest accrued) as security against borrowings, guarantees amounts to ₹ 5,715.56 lacs (31 March 2022: ₹ 692.14 lacs) and as cash collateral for co-lending arrangements amounts to ₹ 3,052.49 lacs (31 March 2022: ₹ 660.73 lacs).

Visage Holdings and Finance Private Limited

Notes to financial statements for the year ended 31 March 2023 (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 2023			
(A) i) Loan to customer^	-	1,66,038.96	1,66,038.96
ii) Staff Loan	96.42	-	96.42
iii) Loan to Visage Trust	4.42	-	4.42
Total (A) -Gross	100.84	1,66,038.96	1,66,139.80
Less : Impairment loss allowance*	-	(4,551.44)	(4,551.44)
Total (A) - Net	100.84	1,61,487.52	1,61,588.36
(B) i) Secured by tangible assets #	-	14,403.53	14,403.53
ii) Covered by Government/private guarantees	-	28,929.27	28,929.27
iii) Unsecured	100.84	1,22,706.16	1,22,807.00
Total (B) - Gross	100.84	1,66,038.96	1,66,139.80
Less: Impairment loss allowance *	-	(4,551.44)	(4,551.44)
Total (B) - Net	100.84	1,61,487.52	1,61,588.36
(C) Loans in India			
i) Public Sector	-	-	-
ii) Others	100.84	1,66,038.96	1,66,139.80
Total (C) - Gross	100.84	1,66,038.96	1,66,139.80
Less: Impairment loss allowance*	-	(4,551.44)	(4,551.44)
Total (C) -Net	100.84	1,61,487.52	1,61,588.36

^ Post netting off impairment loss allowance on Stage 3 interest amounting to INR 2,004.34 lacs

* Refer note 43 (ii)

Secured by machineries, non-machinery assets and stocks. The unsecured loans has collateral value of INR 82,804.63 lacs. However, due to other credit risk assessment factors including low LTV , etc. these are classified as unsecured.

Visage Holdings and Finance Private Limited

Notes to financial statements for the year ended 31 March 2023 (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)			
As at 31 March 2022			
(A) i) Loan to customer^	-	1,02,451.87	1,02,451.87
ii) Staff Loan	47.60	-	47.60
iii) Loan to Visage Trust	4.42	-	4.42
Total (A) -Gross	52.02	1,02,451.87	1,02,503.89
Less : Impairment loss allowance*	-	(3,678.72)	(3,678.72)
Total (A) - Net	52.02	98,773.15	98,825.17
(B) i) Secured by tangible assets #	-	7,931.49	7,931.49
ii) Covered by Government/private guarantees		52,441.97	52,441.97
iii) Unsecured	52.02	42,078.41	42,130.43
Total (B) - Gross	52.02	1,02,451.87	1,02,503.89
Less: Impairment loss allowance*	-	(3,678.72)	(3,678.72)
Total (B) - Net	52.02	98,773.15	98,825.17
(C) Loans in India			
i) Public Sector	-	-	-
ii) Others	52.02	1,02,451.87	1,02,503.89
Total (C) - Gross	52.02	1,02,451.87	1,02,503.89
Less: Impairment loss allowance*	-	(3,678.72)	(3,678.72)
Total (C) -Net	52.02	98,773.15	98,825.17

^ Post netting off impairment loss allowance on Stage 3 interest amounting to INR 959.40 lacs

* Refer note 43 (ii)

Secured by machineries, non-machinery assets and stocks. The unsecured loans has collateral value of INR 67,022.32 lacs. However, due to other credit risk assessment factors including low LTV , etc. these are classified as unsecured.

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 2023 and 31 March 2022.

Visage Holdings and Finance Private Limited
Notes to financial statements for the year ended 31 March 2023 (Continued)
(All amounts are in INR lacs except share data and unless otherwise stated)

		Amortised Cost	At Fair Value through profit or loss	Others	Total
6	**Investments**				
	As at 31 March 2023				
(A)	Mutual funds	-	115.13	-	115.13
	Total – Gross (A)	-	115.13	-	115.13
(B)	Investments in India	-	115.13	-	115.13
	Total – Gross (B)	-	115.13	-	115.13
	Less: Allowance for impairment loss (C)	-	-	-	-
	Total – Net D= (A)-(C)	-	115.13	-	115.13

		Amortised Cost	At Fair Value through profit or loss	Others	Total
	As at 31 March 2022				
(A)	Mutual funds	-	108.51	-	108.51
	Total – Gross (A)	-	108.51	-	108.51
(B)	Investments in India	-	108.51	-	108.51
	Total – Gross (B)	-	108.51	-	108.51
	Less: Allowance for impairment loss (C)	-	-	-	-
	Total – Net D= (A)-(C)	-	108.51	-	108.51

Visage Holdings and Finance Private Limited
Notes to financial statements for the year ended 31 March 2023 (Continued)
(All amounts are in INR lacs except share data and unless otherwise stated)

	As at 31 March 2023	As at 31 March 2022
7 Other financial assets		
Security deposits	471.38	265.94
Excess interest spread receivable	1,354.94	8.87
Receivables under Co-lending arrangement	3,089.52	878.39
Servicing asset relating to Co-lending arrangement	16,200.85	7,421.46
Other deposits	56.10	579.82
Others	102.15	100.45
Total	21,274.94	9,254.93
8 Current tax assets (net)		
Advance tax and deduction at source [net of provision for taxes of INR 442.57 lacs (31 March 2022 : INR 467.08 lacs)	750.97	912.83
Total	750.97	912.83

Visage Holdings and Finance Private Limited
Notes to financial statements for the year ended 31 March 2023 (Continued)
(All amounts are in INR lacs except share data and unless otherwise stated)

9 Income tax

A. Amounts recognised in statement of profit or loss

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Current tax		
Current period (a)	-	-
Changes in estimates related to prior years (b)	1.98	(69.76)
	1.98	(69.76)
Deferred tax (c)		
Attributable to-		
Origination / (Reversal) of temporary differences	1,293.82	481.48
Sub-total (c)	1,293.82	481.48
Tax expense (a)+(b)+(c)	1,295.80	411.72

B. Income tax recognised in other comprehensive income

Particulars	Year ended 31 March 2023 Income Tax	Year ended 31 March 2022 Income Tax
Remeasurements of the defined benefit plans	3.43	6.95
Debt instruments through other comprehensive income	50.36	3.39
Cash flow hedge reserve	28.08	12.79
Total	81.87	23.13

C. Reconciliation of effective tax rate

Particulars	Year ended 31 March 2023		Year ended 31 March 2022	
	%	Amount	%	Amount
Profit before tax		5,414.94		1,870.91
Tax using the Company's domestic tax rate	25.17%	1,362.94	25.17%	470.91
Effect of:				
Others	(1.28)%	(69.12)	0.57%	10.57
	23.89%	1,293.82	25.74%	481.48
Provisions relating to earlier years	0.04%	1.98	(3.73)%	(69.76)
Effective tax rate/income tax expense reported in the statement of profit and loss	23.93%	1,295.80	22.01%	411.72

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.

The tax rate used for reconciliation above is the corporate tax rate of 25.17% for the financial year 2022-23 and 2021-22 payable by corporate entities in India on taxable profits under the applicable tax laws in Indian jurisdiction.

Visage Holdings and Finance Private Limited
Notes to financial statements for the year ended 31 March 2023 (Continued)
(All amounts are in INR lacs except share data and unless otherwise stated)

9 Income tax (Continued)

D. Deferred tax liabilities, net

Movement of deferred tax assets / liabilities

Particulars	As at 31 March 2022	Recognised in profit or loss during the year	Recognised in OCI during the year	As at 31 March 2023
Deferred tax assets:				
Provision for employee benefits	93.59	42.43	3.43	139.45
Property, plant and equipment	102.02	17.46	-	119.48
Impairment loss allowance and related adjustments to loans	1,083.47	708.58	-	1,792.05
Application of effective interest rate method on financial assets and financial liabilities	229.09	176.98	-	406.07
Unabsorbed depreciation and amortisation	77.65	81.03	-	158.68
Business loss	448.89	192.57	-	641.46
Cash flow hedge reserve	12.79	-	28.08	40.87
Fair valuation of Financial guarantee contracts	11.46	26.34	-	37.80
Fair Valuation of loans	16.53	-	50.36	66.89
Lease liabilities and right to use assets	29.18	11.04	-	40.22
	2,104.67	1,256.43	81.87	3,442.97

Particulars	As at 31 March 2022	Recognised in profit or loss during the year	Recognised in OCI during the year	As at 31 March 2023
Deferred tax liabilities:				
Recognition of servicing assets under Co-lending arrangement	1,867.98	2,209.77	-	4,077.75
Fair valuation of investments	2.14	1.67	-	3.81
Excess interest spread receivable	2.24	338.81	-	341.05
	1,872.36	2,550.25	-	4,422.61
Net deferred tax assets/(liabilities)	232.31	(1,293.82)	81.87	(979.64)

Particulars	As at 31 March 2021	Recognised in profit or loss during the year	Recognised in OCI during the year	As at 31 March 2022
Deferred tax assets:				
Provision for employee benefits	68.18	18.46	6.95	93.59
Property, plant and equipment	91.22	10.80	-	102.02
Impairment loss allowance and related adjustments to loans	698.57	384.90	-	1,083.47
Application of effective interest rate method on financial assets and financial liabilities	66.48	162.61	-	229.09
Unabsorbed depreciation and amortisation	-	77.65	-	77.65
Business loss	-	448.89	-	448.89
Cash flow hedge reserve	-	-	12.79	12.79
Fair valuation of Financial guarantee contracts	79.48	(68.02)	-	11.46
Fair Valuation of loans	13.14	-	3.39	16.53
Lease liabilities and right to use assets	16.88	12.30	-	29.18
	1,033.95	1,047.59	23.13	2,104.67
Deferred tax liabilities:				
Recognition of servicing assets under Co-lending arrangement	326.71	1,541.27	-	1,867.98
Fair valuation of investments	0.60	1.54	-	2.14
Excess interest spread receivable	15.98	(13.74)	-	2.24
	343.29	1,529.07	-	1,872.36
Net deferred tax assets	690.66	(481.48)	23.13	232.31

Visage Holdings and Finance Private Limited
Notes to financial statements for the year ended 31 March 2023 (Continued)
(All amounts are in INR lacs except share data and unless otherwise stated)

10 Property, plant and equipment

Particulars	Gross block				Accumulated Depreciation and amortisation				Net block	
	As at 31 March 2022	Additions	Deletions / adjustments	As at 31 March 2023	As at 31 March 2022	For the year	Deletions / adjustments	As at 31 March 2023	As at 31 March 2023	As at 31 March 2022
Owned Assets										
Fixed assets for own use										
Furniture and fixtures	254.02	59.30	-	313.32	153.06	36.98	-	190.04	123.28	100.96
Office equipment	109.58	23.68	29.26	104.00	86.23	16.17	27.68	74.72	29.28	23.35
Leasehold improvements	449.62	118.26	-	567.88	226.07	125.74	-	351.81	216.07	223.55
Computer	168.28	7.83	92.35	83.76	122.79	28.89	87.21	64.47	19.29	45.49
Total	981.50	209.07	121.61	1,068.96	588.15	207.78	114.89	681.04	387.92	393.35

Particulars	Cost / Deemed cost				Accumulated Depreciation and amortisation				Net block	
	As at 31 March 2021	Additions	Deletions / adjustments	As at 31 March 2022	As at 31 March 2021	For the year	Deletions / adjustments	As at 31 March 2022	As at 31 March 2022	As at 31 March 2021
Owned Assets										
Fixed assets for own use										
Furniture and fixtures	240.21	13.81	-	254.02	120.41	32.65	-	153.06	100.96	119.80
Office equipment	227.41	3.53	121.36	109.58	161.86	21.19	96.82	86.23	23.35	65.55
Leasehold improvements	449.62	-	-	449.62	136.15	89.92	-	226.07	223.55	313.47
Computer	297.33	26.41	155.46	168.28	195.09	75.97	148.27	122.79	45.49	102.24
Total	1,214.57	43.75	276.82	981.50	613.51	219.73	245.09	588.15	393.35	601.06

For details on contractual commitment, refer note 40

11 Intangible assets under development

Particulars	As at 31 March 2021	Additions	Deletions	Written off	As at 31 March 2022	Additions	Deletions	Written off	As at 31 March 2023
Intangible assets under development	129.32	-	129.32	-	-	-	-	-	-

12 Other intangible assets

Description of assets	Gross block				Accumulated Depreciation and amortisation				Net block	
	As at 31 March 2022	Additions	Deletions /adjustments	As at 31 March 2023	As at 31 March 2022	For the year	Deletions /adjustments	As at 31 March 2023	As at 31 March 2023	As at 31 March 2022
Computer software	686.44	98.73	0.59	784.58	301.79	195.34	0.56	496.57	288.01	384.65
Total	686.44	98.73	0.59	784.58	301.79	195.34	0.56	496.57	288.01	384.65

Description of assets	Cost / Deemed cost				Accumulated Depreciation and amortisation				Net block	
	As at 31 March 2021	Additions	Deletions /adjustments	As at 31 March 2022	As at 31 March 2021	For the year	Deletions /adjustments	As at 31 March 2022	As at 31 March 2022	As at 31 March 2021
Computer software	372.19	346.93	32.68	686.44	196.29	137.48	31.98	301.79	384.65	175.90
Total	372.19	346.93	32.68	686.44	196.29	137.48	31.98	301.79	384.65	175.90

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Notes to financial statements for the year ended 31 March 2023 (Continued)
(All amounts are in INR lacs except share data and unless otherwise stated)

		As at 31 March 2023	As at 31 March 2022
13	Other non-financial assets		
	GST receivable	947.94	1,160.95
	Prepaid expenses	560.33	464.18
	Capital advances	185.11	114.62
	Advance to employees	170.24	149.81
	Other Advances	164.95	582.88
	Total	2,028.57	2,472.44

14 Derivative financial instruments

Particulars	As at 31 March 2023 Notional amounts	As at 31 March 2023 Fair Value - Asset	As at 31 March 2022 Notional amounts	As at 31 March 2022 Fair Value - Liabilities
Derivatives held for hedging andrisk management purposes				
Cash flow hedge				
- Cross currency interest rate swaps	18,428.00	86.23	6,920.00	198.03
Total Derivative Financial Instruments	18,428.00	86.23	6,920.00	198.03

The Company has a Board approved policy for entering into derivative transactions. Derivative transactions comprise of currency and interest rate swaps. The Company undertakes such transactions for hedging borrowings. The table above shows the fair values of derivative financial instruments recorded as liabilities together with their notional amounts. The notional amounts indicate the value of transactions outstanding at the year end and are not indicative of either the market risk or credit risk.

		As at 31 March 2023	As at 31 March 2022
15	Trade payables		
	(i) total outstanding dues of micro enterprises and small enterprises	25.23	18.83
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	209.28	146.13
	Total	234.51	164.96

Total outstanding dues of micro enterprises and small enterprises	As at 31 March 2023	As at 31 March 2022
a) Dues remaining unpaid to any supplier at the year end		
- Principal	25.23	18.83
- 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	-	-

Trade payable ageing schedule as at 31 March 2023

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	25.23	-	-	-	25.23
(ii) Others	209.28	-			209.28
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

Trade payable ageing schedule as at 31 March 2022

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	18.83	-	-	-	18.83
(ii) Others	146.13	-			146.13
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

Visage Holdings and Finance Private Limited
Notes to financial statements for the year ended 31 March 2023 (Continued)
(All amounts are in INR lacs except share data and unless otherwise stated)

		As at 31 March 2023	As at 31 March 2022
16	Debt securities		
(A)	(a) At Amortised Cost - Secured		
	Redeemable non convertible debentures*	73,769.08	59,544.27
	(b) At Amortised Cost - Unsecured		
	Redeemable non convertible debentures	-	358.61
	Compulsory convertible debentures	31.52	41.76
	Total (A)	73,800.60	59,944.64
(B)	Debt securities in India	73,800.60	59,944.64
	Debt securities outside India	-	-
	Total (B)	73,800.60	59,944.64

*Debentures are secured by first ranking exclusive charge of hypothecation of portfolio loans/receivables to the extent of more than 100% of outstanding secured loans/debentures.As per Regulation 54 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, debentures are secured by first charge ranking pari-passu with each other on the Company's book debts and loan instalment receivables. The total security cover as on 31 March 2023 is 1.12 times (31 March 2022: 1.16 times) of the principal amount of the said debentures, which is in line with the terms of offer document.

The funds raised by the Company 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.

All charges have been registered with Registrar of Companies (RoC) within the statutory period.

Terms of maturity of secured redeemable non-convertible debentures

Maturity schedule	Interest rate range (p.a.)		Amount	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Quarterly installments				
1 - 3 Years	13.50%	-	1,974.90	-
			1,974.90	-
Half yearly installments				
0 - 1 Years	11.75%-14.00%	11.75%-14.00%	3,901.90	2,056.61
1 - 3 Years	11.75%	11.75%-14.00%	4,655.11	13,248.83
			8,557.01	15,305.44
Bullet				
0 - 1 Years	11.63%-13.30%	11.63%-13.30%	16,776.02	13,547.14
1 - 3 Years	11.75%-13.50%	11.63%-13.00%	42,343.58	20,961.25
3 - 5 Years	11.75%-13.50%	11.86%-13.00%	4,117.57	9,730.44
			63,237.17	44,238.83

Visage Holdings and Finance Private Limited
Notes to financial statements for the year ended 31 March 2023 (Continued)
(All amounts are in INR lacs except share data and unless otherwise stated)

16 Debt securities (Continued)
Terms of maturity of unsecured redeemable non-convertible debentures

Maturity schedule	Interest rate range (p.a.)		Amount	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
0 - 1 Years	-	13.09%	-	358.61
1 - 3 Years	-	-	-	-
			-	358.61

Terms of maturity of unsecured compulsory convertible debentures.

Maturity schedule	Interest rate range (p.a.)		Amount	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
1 - 3 Years	-	-	8.50	8.50
3 - 5 Years	-	-	23.02	33.26
			31.52	41.76

The above unsecured compulsory convertible debentures ['CCD'] are issued to the Director cum CEO 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 04 February 2020, approved the collapse of the existing exit waterfall mechanism laid out in the Shareholders' Agreement dated 07 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.

The Company on 29 August 2022 issued 1,02,326 equity shares of Rs. 10/- each to Ms. Hardika Shah (Director and Chief Executive Officer) by way of conversion of 1,971 unsecured Compulsory Convertible Debentures (CCDs). These equity shares shall rank pari passu with the existing Class A1 Equity Shares of Rs. 10/- each.

Visage Holdings and Finance Private Limited
Notes to financial statements for the year ended 31 March 2023 (Continued)
(All amounts are in INR lacs except share data and unless otherwise stated)

		As at 31 March 2023	As at 31 March 2022
17	Borrowings (other than debt securities)		
	At Amortised Cost		
(A)	(a) Term loan - secured *		
	(i) from banks	33,962.18	15,547.78
	(ii) from others	56,568.54	32,069.16
	(b) Other Loans - secured *		
	Payables under securitisation arrangement	-	293.85
	(c) Commercial Paper - Unsecured	-	983.57
	Total (A)	90,530.72	48,894.36
(B)	Borrowings in India	72,026.47	42,310.66
	Borrowings outside India ^	18,504.25	6,583.70
	Total (B)	90,530.72	48,894.36

* 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 derecognition criteria as per the provisions of Ind AS 109. These are secured by way of hypothecation of designated loans assets.

^ Represents External Commercial Borrowings (ECBs) of USD 4 millions with interest rate of 6 month SOFR+4.60% (original tenure of 4 years) and USD 10 millions with interest rate of 6 month USD CME Term SOFR+4.90% (original tenure of 4 years) raised in FY22-23 and EUR 8 millions with interest rate of 6 month EURIBOR+4.25% (original tenure of 3 years) raised in FY 2021-22 for financing prospective borrower as per the ECB guidelines issued by Reserve Bank of India ("RBI") from time to time. In terms of the RBI guidelines, borrowings have been swapped into rupees and fully hedged for the entire maturity by way of cross currency interest rate swaps.

The funds raised by the Company were utilised for the purpose intended, i.e. towards lending in compliance with applicable laws.

All charges have been registered with Registrar of Companies (ROC) with the statutory period.

Details of commercial papers

For previous year ended 31 March 2022, the commercial papers carry interest rate of 13.60% p.a with maturity of 2 months.

Terms of repayment of term loans (secured) #

Maturity schedule	Interest rate range (p.a.) *		Amount	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Quarterly installments				
0 - 1 Years	12.50% - 14.25%	12.50% - 13.75%	4,059.70	1,660.24
1 - 3 Years	12.50% - 14.25%	12.50% - 13.75%	3,787.19	2,451.12
			7,846.89	4,111.36
Monthly installments				
0 - 1 Years	8.95% - 15.30%	6.85% - 14.25%	33,291.21	21,613.51
1 - 3 Years	8.95% - 15.20%	8.95% - 14.25%	30,888.37	14,210.87
3 - 5 Years	-	8.95% - 13.70%	-	1,097.50
			64,179.58	36,921.88
Bullet				
0 - 1 Years	10.98%	10.98%	6.25	8.33
1 - 3 Years	10.98% - 12.98%	10.98%	11,926.60	6,575.37
3 - 5 Years	12.98%	-	6,571.40	-
			18,504.25	6,583.70
			90,530.72	47,616.94

\# The company has breached the financial covenant as at 31 March 2023, with respect to certain loans availed from banks having an outstanding balance of INR 5,442.92 lacs (3% of total debt) [31 March 2022 : INR 2,700.22 lacs (2% of total debt)] . The company has applied to these banks to obtain a waiver of the breach of the above financial covenant. These banks have not demanded the repayment of amount outstanding and have not levied any penalty as at 31 March 2023 till the date of approval of financial statements by the Board of Directors of the Company. 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 in the following Notes:
Note 34-Maturity pattern of assets and liabilities
Note 43 (iii) -Liquidity risk
Note 46 (e) -Asset liability Maturity Pattern

Terms of maturity of Payables under securitisation arrangement

Maturity schedule	Interest rate range (p.a.) *		Amount	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
0 - 1 Years	-	12.75%	-	293.85
			-	293.85

* 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.
Interest rate in case of ECB has been considered as per Cross Currency Interest Rate Swap taken for the same.

Visage Holdings and Finance Private Limited
Notes to financial statements for the year ended 31 March 2023 (Continued)
(All amounts are in INR lacs except share data and unless otherwise stated)

		As at 31 March 2023	As at 31 March 2022
18	**Subordinated liabilities**		
	At Amortised Cost - Unsecured		
(A)	Subordinated redeemable non convertible debentures	2,213.52	4,865.47
	Total (A)	2,213.52	4,865.47
(B)	Subordinated liabilities in India	2,213.52	4,865.47
	Subordinated liabilities outside India	-	-
	Total (B)	2,213.52	4,865.47

Terms of maturity of redeemable non convertible debentures

Maturity schedule	Interest rate range (p.a.)		Amount	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
0 - 1 Years	15.60%	14.10%-16.90%	0.88	2,657.01
1 - 3 Years	14.10%-15.60%	15.20%-15.60%	2,212.64	2,208.46
			2,213.52	4,865.47

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.
The funds raised by the Company were utilised for the purpose intended, i.e. towards lending in compliance with applicable laws.

Visage Holdings and Finance Private Limited
Notes to financial statements for the year ended 31 March 2023 (Continued)
(All amounts are in INR lacs except share data and unless otherwise stated)

		As at 31 March 2023	As at 31 March 2022
19	**Other financial liabilities**		
	Dues to Employees	729.64	445.48
	EMI received in advance	8,400.90	4,901.57
	Accrued expenses	314.37	318.28
	Insurance premium payable	693.11	80.56
	Capital Creditors	45.98	45.97
	Payables under Co-Lending arrangements	241.50	35.81
	Financial guarantee contracts	150.18	45.54
	Pending remittance on assignment	386.21	43.34
	Total	10,961.89	5,916.55

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

		As at 31 March 2023	As at 31 March 2022
20	**Provisions**		
	Provision for Employee benefits [Refer note 35]		
	- Gratuity	390.85	263.70
	- Leave encashment	163.20	108.15
	Total	554.05	371.85

		As at 31 March 2023	As at 31 March 2022
21	**Other non-financial liabilities**		
	Statutory dues payable	406.56	237.78
	Others	18.35	10.92
	Total	424.91	248.70

Visage Holdings and Finance Private Limited
Notes to financial statements for the year ended 31 March 2023 (Continued)
(All amounts are in INR lacs except share data and unless otherwise stated)

		As at 31 March 2023	As at 31 March 2022
22	**Equity**		
	Authorised		
	Class A equity shares of Rs. 10 each	30.00	30.00
	Class A1 equity shares of Rs. 10 each	1,387.00	1,102.98
		1,417.00	1,132.98
	Issued, subscribed and paid-up		
	Equity share capital		
	Class A1 equity shares of Rs. 10 each, fully paid	1,348.60	713.06
	Less: Amount recoverable from ESOP Trust [face value of 6,90,060 shares (31 March 2022: 370,900 shares) allotted to Trust (refer note below)]	(69.01)	(37.09)
		1,279.59	675.97

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

Particulars	As at 31 March 2023		As at 31 March 2022	
	Number	Amount	Number	Amount
Equity shares				
At the commencement of the period	67,59,685	675.97	70,79,421	707.94
Shares Issued	63,55,377	635.54	51,164	5.12
Shares Recoverable from ESOP Trust	(3,19,160)	(31.92)	(3,70,900)	(37.09)
Issued, subscribed and paid up share capital	1,27,95,902	1,279.59	67,59,685	675.97

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 6,90,060 shares (31 March 2022: 370,900 shares) have been issued. 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).

Issue of Equity Share Capital:
During the year, pursuant to the approval of Board of Directors on 19 April 2022, the Company has allotted 23,37,717 Class A1 equity shares of face value ₹ 10 to Nuveen Global Impact Fund India S.À R.L for a total investment of (including premium) ₹ 15,013.52 lacs (approx.) and 9,03,103 Class A1 equity shares of face value ₹ 10 to Pettelaar Effectenbewaarbedrijf N.V. (acting in its capacity as a legal owner of ASN Microkredietpool, represented by Triple Jump B.V.) for a total investment of (including premium) ₹ 5,800.00 lacs (approx.). The Board also approved allotment of 1,77,419 Class A1 equity shares of face value ₹ 10 to Visage Trust on 19 April 2022.

The Company on 29 August 2022 issued 1,02,326 equity shares of Rs. 10/- each to Ms. Hardika Shah (Director and Chief Executive Officer) by way of conversion of 1,971 unsecured Compulsory Convertible Debentures (CCDs). These equity shares shall rank pari passu with the existing Class A1 Equity Shares of Rs. 10/- each.

Pursuant to the approval of Board of Directors on 28 September 2022, the Company has allotted 9,62,097 Class A1 equity shares of face value ₹ 10 to Nuveen Global Impact Fund India S.À R.L for a total investment of (including premium) ₹ 7,061.60 lacs (approx.) , 4,09,412 Class A1 equity shares of face value ₹ 10 to Pettelaar Effectenbewaarbedrijf N.V. (acting in its capacity as a legal owner of ASN Microkredietpool, represented by Triple Jump B.V.) for a total investment of (including premium) ₹ 3,005.00 lacs (approx.) and 13,21,562 Class A1 equity shares of face value ₹ 10 to British International Investment plc for a total investment of (including premium) ₹ 9,700.00 lacs (approx.) . The Board also approved allotment of 1,41,741 Class A1 equity shares of face value ₹ 10 to Visage Trust on 28 September 2022.

During the previous year, the Company on 12 November 2021 issued 51,164 equity shares of INR 10/- each to Director and Chief Executive Officer by way of conversion of 986 unsecured Compulsory Convertible Debentures (CCDs). These equity shares shall rank pari passu with the existing Class A1 Equity Shares of INR 10/- each.

Visage Holdings and Finance Private Limited
Notes to financial statements for the year ended 31 March 2023 (Continued)
(All amounts are in INR lacs except share data and unless otherwise stated)

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.

Shares bought back

Company has not bought back any of its securities during the five year period immediately preceding the reporting date.

Shareholders holding more than 5% shares

Name of the shareholder	As at 31 March 2023		As at 31 March 2022	
	%	No. of shares	%	No. of shares
Class A1 Equity shares of Rs. 10 each, fully paid				
Nuveen Global Impact Fund India SÀ RL	24.47%	32,99,814	-	-
Gaja Capital Fund II Limited	12.48%	16,83,440	23.61%	16,83,440
British International Investment plc	9.80%	13,21,562	-	-
Pettelaar Effectenbewaarbedrijf N.V.	9.73%	13,12,515	-	-
Michael & Susan Dell Foundation	7.15%	9,64,523	13.53%	9,64,523
Hardika Shah	6.82%	9,19,420	11.46%	8,17,094
Global Impact Funds SCA SICAR - SubFund Global Financial Inclusion Fund	6.38%	8,60,373	12.07%	8,60,373
Unitus Impact PCC-LIF Mauritius	5.94%	8,00,396	11.22%	8,00,396
Visage Trust	5.12%	6,90,060	5.20%	3,70,900

Shareholders of Promoters

Name of the Promoters	As at 31 March 2023			As at 31 March 2022		
	%	No. of shares	% Change during the year	%	No. of shares	% Change during the year
Class A1 Equity shares of Rs. 10 each, fully paid						
Hardika Shah	6.82%	9,19,420	-4.64%	11.46%	8,17,094	0.64%

23 Other equity

Particulars	As at 31 March 2023	As at 31 March 2022
Statutory Reserves	1,924.46	1,100.63
Impairment Reserve	23.96	23.96
Securities Premium	59,881.26	20,921.72
Share option Outstanding	697.12	311.64
Retained Earnings	4,869.04	1,583.93
Debt Instruments(Loans) through Other Comprehensive Income	(198.84)	(49.14)
Effective portion of Cash Flow Hedges	(121.51)	(38.03)
Total	67,075.49	23,854.71

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 shortfall of expected credit loss (ECL) under Ind AS 109 when compared to the provisioning required under IRACP (including standard asset provisioning). 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.

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.

Effective portion of Cash Flow Hedges

It represents the cumulative gains/(losses) arising on revaluation of the derivative instruments designated as cash flow hedges through OCI.

Visage Holdings and Finance Private Limited
Notes to financial statements for the year ended 31 March 2023 (Continued)
(All amounts are in INR lacs except share data and unless otherwise stated)

24 Interest Income	Year ended 31 March 2023 On Financial Assets measured at fair value through OCI	Year ended 31 March 2023 On Financial Assets measured at Amortised Cost	Year ended 31 March 2022 On Financial Assets measured at fair value through OCI	Year ended 31 March 2022 On Financial Assets measured at Amortised Cost
Interest on Loans				
Interest income on loan	36,259.72	-	20,801.95	-
Interest on deposits with banks	-	2,087.79	-	564.75
Other interest income *	-	70.85	-	50.83
	36,259.72	2,158.64	20,801.95	615.58
Total		38,418.36		21,417.53

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

25 Fees and Commission Income	Year ended 31 March 2023	Year ended 31 March 2022
Service charges on co-lending arrangement	40.70	187.60
Cheque bounce charges	220.41	238.59
Penalty and preclosure charges	343.10	307.49
Securitisation collection fee	-	1.00
Total	604.21	734.68

26 Net gain/(loss) on fair value changes	Year ended 31 March 2023	Year ended 31 March 2022
(A) Net gain/(loss) on financial instruments at fair value through profit or loss		
- On Mutual Funds	94.83	9.41
Total Net gain/(loss) on fair value changes (A)	94.83	9.41
(B) Fair Value changes:		
Realised	88.21	3.29
Unrealised	6.62	6.12
Total Net gain/(loss) on fair value changes (B)	94.83	9.41

27 Net gain on derecognition of financial instruments	Year ended 31 March 2023	Year ended 31 March 2022
Income from derecognition on account of direct assignment and co-lending transactions	10,020.82	6,339.06
Total	10,020.82	6,339.06

28 Other Income	Year ended 31 March 2023	Year ended 31 March 2022
Profit on sale of Property plant and equipment	1.44	-
Miscellaneous Income	23.66	87.03
Total	25.10	87.03

Visage Holdings and Finance Private Limited
Notes to financial statements for the year ended 31 March 2023 (Continued)
(All amounts are in INR lacs except share data and unless otherwise stated)

29 Finance cost	Year ended 31 March 2023 On Financial liabilities measured at Amortised Cost	Year ended 31 March 2022 On Financial liabilities measured at Amortised Cost
Interest Expense on Borrowings:		
Interest on borrowing*	7,875.01	6,378.75
Interest on debt securities	9,663.98	4,430.76
Interest on subordinated liabilities	607.31	783.32
Other borrowing costs	121.78	98.59
Total	18,268.08	11,691.42

* Includes interest expense on lease liabilities of INR 157.87 lacs (31 March 2022: INR 103.79 lacs)

30 Impairment on financial instruments	Year ended 31 March 2023 On Financial Instruments measured at fair value through OCI	Year ended 31 March 2023 On Financial Instruments measured at Amortised Cost	Year ended 31 March 2022 On Financial Instruments measured at fair value through OCI	Year ended 31 March 2022 On Financial Instruments measured at Amortised Cost
Loans [Refer note 43 (iii)]	872.72	-	917.57	-
Other Assets	-	1,542.57	-	182.53
Loan commitment	-	-	-	(0.94)
Bad Debts Written Off	7,422.37	-	3,123.86	-
Less:- Recoveries	(663.51)	(8.96)	(330.66)	(7.68)
	7,631.58	1,533.61	3,710.77	173.91
Total		9,165.19		3,884.68

31 Employee benefits expenses *	Year ended 31 March 2023	Year ended 31 March 2022
Salaries and Wages	9,416.70	6,028.12
Contributions to Provident and Other Funds	365.27	281.60
Share based payment	346.75	62.88
Staff Welfare Expenses	229.92	199.10
Total	10,358.64	6,571.70

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

32 Depreciation, amortisation and impairment	Year ended 31 March 2023	Year ended 31 March 2022
Depreciation of Property Plant and Equipment	207.78	219.73
Depreciation of Intangible Assets	195.34	137.48
Depreciation of Right-to-use Assets [Refer note 36]	469.14	271.88
Total	872.26	629.09

33 Others expenses #	Year ended 31 March 2023	Year ended 31 March 2022
Rent	431.43	317.80
Electricity and water Charges	69.96	46.73
Office expense	94.12	74.37
Communication expense	156.53	114.03
Subsrciption and renewal fees	1,039.45	894.73
Printing and Stationery	76.76	87.97
Rates and Taxes	109.29	142.67
Legal and Professional Charges	1,311.69	1,431.40
Auditor Remuneration*	64.77	48.12
Travel and Conveyance	954.89	548.51
Recruitment expenses	100.86	51.11
Directors' Sitting Fee	31.61	22.29
CSR Expenditure	4.99	23.74
Loss on sale of Property plant and equipment	-	4.11
Other expenses	637.86	132.33
Total	5,084.21	3,939.91

Refer Note 39 for related party transactions

Visage Holdings and Finance Private Limited
Notes to financial statements for the year ended 31 March 2023 (Continued)
(All amounts are in INR lacs except share data and unless otherwise stated)

Others expenses (Continued)

	Year ended 31 March 2023	Year ended 31 March 2022
* Payments to auditors (exclusive of applicable taxes)		
Statutory audit	31.00	25.00
Tax audit	2.00	2.00
Limited review and certification	31.50	20.50
Out-of-pocket expenses	0.27	0.62
Total	64.77	48.12

Details of corporate social responsibility expenditure
The Board of Directors in its meeting held on 07 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 under section 135 read with 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.

	Year ended 31 March 2023	Year ended 31 March 2022
(a) Gross amount required to be spent by the company during the year	-	23.74
(b) Amount spent during the year on:		
i. Construction/acquisition of any asset	-	-
ii. On purposes other than (i) above	4.99	23.74
(c) Details of Related Party Transactions - In relation to CSR Expenditure as per Ind AS	-	-
(d) Whether the provision is made with respect to a liability incurred by entering into contractual obligation, the	-	-
(e) The amount of shortfall at the end of the year out of the amount required to be spent by the Company during the	-	-

(f) Nature of CSR Activity
-Promoting education and women entrepreneurship development, including special education and employment enhancing vocation skills, career guidance, skill development especially among children, women, elderly and the differently abled and livelihood enhancement projects
-Promoting Health care including preventive health care and sanitation

Visage Holdings and Finance Private Limited

Notes to financial statements for the year ended 31 March 2023 (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 2023			As at 31 March 2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial assets						
Cash and cash equivalents	52,702.58	-	52,702.58	31,269.75	-	31,269.75
Bank balance other than cash and cash equivalents	7,415.55	1,500.22	8,915.77	940.09	448.72	1,388.81
Derivative financial instruments	-	86.23	86.23			
Loans	55,651.44	1,05,936.92	1,61,588.36	36,206.44	62,618.73	98,825.17
Investments	115.13	-	115.13	108.51	-	108.51
Other financial assets	8,271.16	13,003.78	21,274.94	3,721.63	5,533.30	9,254.93
Total financial assets	1,24,155.86	1,20,527.15	2,44,683.01	72,246.42	68,600.75	1,40,847.17
Non-financial assets						
Current tax assets (net)	-	750.97	750.97	-	912.83	912.83
Deferred tax assets (net)	-	-	-	-	232.31	232.31
Property, plant and equipment	-	387.92	387.92	-	393.35	393.35
Other intangible assets	-	288.01	288.01	-	384.65	384.65
Right-of-use asset	-	2,325.23	2,325.23	-	725.93	725.93
Other non-financial assets	1,819.85	208.72	2,028.57	2,049.46	422.98	2,472.44
Total non-financial assets	1,819.85	3,960.85	5,780.70	2,049.46	3,072.05	5,121.51
Total assets	1,25,975.71	1,24,488.00	2,50,463.71	74,295.88	71,672.80	1,45,968.68
LIABILITIES						
Financial liabilities						
Derivative financial instruments	-	-	-	-	198.03	198.03
Trade payables						
(i) total outstanding dues of micro enterprises and small enterprises	25.23	-	25.23	18.83	-	18.83
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	209.28	-	209.28	146.13	-	146.13
Debt securities	20,677.92	53,122.68	73,800.60	15,962.36	43,982.28	59,944.64
Borrowings (other than debt securities)*	37,357.16	53,173.56	90,530.72	24,559.50	24,334.86	48,894.36
Subordinated liabilities	0.88	2,212.64	2,213.52	2,657.01	2,208.46	4,865.47
Lease Liabilities	667.30	1,741.49	2,408.79	343.29	490.15	833.44
Other financial liabilities	3,409.76	7,552.13	10,961.89	1,666.80	4,249.75	5,916.55
Total financial liabilities	62,347.53	1,17,802.50	1,80,150.03	45,353.92	75,265.50	1,20,817.45
Non-financial liabilities						
Deferred tax liabilities (net)	-	979.64	979.64	-	-	-
Provisions	88.64	465.41	554.05	54.13	317.72	371.85
Other non-financial liabilities	424.91	-	424.91	248.70	-	248.70
Total non-financial liabilities	513.55	1,445.05	1,958.60	302.83	317.72	620.55
EQUITY						
Equity share capital	-	1,279.59	1,279.59	-	675.97	675.97
Other equity	-	67,075.49	67,075.49	-	23,854.71	23,854.71
Total equity	-	68,355.08	68,355.08	-	24,530.68	24,530.68
Total liabilities and equity	62,861.08	1,87,602.63	2,50,463.71	45,656.75	1,00,113.90	1,45,968.68

* Refer Note 17

Visage Holdings and Finance Private Limited
Notes to financial statements for the year ended 31 March 2023 (Continued)
(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 31 '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 2023	Year ended 31 March 2022
Employer's Contribution to Provident Fund (includes pension fund)	337.53	264.38
Employer's Contribution to Emplyee State Insurance Corporation	27.04	16.74
Labour welfare fund	0.70	0.48
Total	365.27	281.60

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 2023. 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 2023	As at 31 March 2022
Net defined benefit asset/(liability)	(390.85)	(263.70)

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 2023		As at 31 March 2022	
	Defined benefit obligation	Net defined benefit asset/ (liability)	Defined benefit obligation	Net defined benefit asset/ (liability)
Balance at the beginning of the year	(263.70)	(263.70)	(169.29)	(169.29)
Included in profit or loss				
Current service cost	(110.32)	(110.32)	(71.72)	(71.72)
Interest cost	(18.07)	(18.07)	(10.33)	(10.33)
	(128.39)	(128.39)	(82.05)	(82.05)
Included in other comprehensive income				
Remeasurements (loss) / gain				
– Actuarial (loss)/gain arising from:				
-demographic assumption	-	-	(4.09)	(4.09)
- financial assumptions	8.47	8.47	10.79	10.79
- experience adjustment	(22.10)	(22.10)	(34.33)	(34.33)
– on plan assets	-	-	-	-
	(13.63)	(13.63)	(27.63)	(27.63)
Other				
Contributions paid by the employer	-	-	-	-
Benefits paid	14.87	14.87	15.27	15.27
	14.87	14.87	15.27	15.27
Balance at the end of the year	(390.85)	(390.85)	(263.70)	(263.70)

Visage Holdings and Finance Private Limited
Notes to financial statements for the year ended 31 March 2023 (Continued)
(All amounts are in INR lacs except share data and unless otherwise stated)

35 Employee benefits (Continued)

B. Actuarial assumptions

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

	As at 31 March 2023	As at 31 March 2022
Discount rate	7.41%	7.05%
Future salary growth	6.00%	6.00%
Attrition rate (%)	24%	24%
Mortality	Indian Assured Lives Mortality (2012-14) Ult.	Indian Assured Lives Mortality (2012-14) Ult.
Withdrawal rate	From age 35 - 18.81% From age 40 - 12.54% From age 45 - 6.27% From age 50 - 2%	From age 35 - 18.81% From age 40 - 12.54% From age 45 - 6.27% From age 50 - 2%2
Retirement age	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 2023		As at 31 March 2022	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	6.02	6.79	6.19	6.99
Future salary growth (1% movement)	5.66	5.07	5.83	5.23
Attrition rate (1% movement)	0.33	0.29	0.58	0.56
Mortality rate (10% up movement)	0.02	-	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 2023	As at 31 March 2022
1 year	50.07	27.84
Between 2-5 years	125.24	67.89
Between 6-10 years	103.93	67.04
Over 10 years	431.36	307.16

As at 31 March 2023, the weighted-average duration of the defined benefit obligation was 7.6 years (31 March 2022: 7.74 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.

Visage Holdings and Finance Private Limited
Notes to financial statements for the year ended 31 March 2023 (Continued)
(All amounts are in INR lacs except share data and unless otherwise stated)

35 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 2023	Year ended 31 March 2022
Expense recorded in Statement of profit and loss	121.94	98.77

	As at 31 March 2023	As at 31 March 2022
Liability as at Balance sheet date	163.20	108.15

Assumptions used in determining the liability towards compensated absences	As at 31 March 2023	As at 31 March 2022
Discount rate	7.41%	7.05%
Salary escalation rate	6.00%	6.00%
Attrition rate	24%	24%
Withdrawal rate	From age 35 - 20.07% From age 40 - 13.8% From age 45 - 7.53% From age 50 - 2%	From age 35 - 20.07% From age 40 - 13.79% From age 45 - 7.52% From age 50 - 2%

Visage Holdings and Finance Private Limited
Notes to financial statements for the year ended 31 March 2023 (Continued)
(All amounts are in INR lacs except share data and unless otherwise stated)

36 Leases
For significant policies on lease refer note 2.20
Following disclosures are being made in accordance with the requirements of Ind AS 116 (Leases)

		31 March 2023	31 March 2022
i)	Depreciation charge for right-of-use assets (presented under note - 32 "Depreciation, amortization and impairment")	469.14	271.88
ii)	Interest expense on lease liabilities (presented under note - 29 "Finance costs")	157.87	103.79
iii)	Expense relating to short-term leases (included in Rent expenses under note 33 " Other expenses")	431.43	317.80
iv)	Total cash outflow for leases (including short term leases)	1,007.68	640.79
v)	Additions to right-of-use assets during the year	2,068.44	603.02
vi)	Carrying amount of right-of-use assets at the end of the reporting period by class of underlying asset -		
	- Property taken on lease for office premises	1,641.26	266.21
	- Asset taken for lease	683.97	459.72
vii)	Lease liabilities	2,408.79	833.44

Maturity Analysis - Contractual Undiscounted Cash Flow as at (including non-cancellable leases)	31 March 2023	31 March 2022
Less than 1 year	919.19	423.42
1 - 3 years	1,076.57	528.21
3 - 5 years	681.11	-
More than 5 years	528.67	-
Total undiscounted lease liabilities	3,205.54	951.63

Right to use asset	Gross Carrying Amount	Accumulated Depreciation and amortisation	Net Carrying Amount
Balance as on 31 March 2021	829.20	434.41	394.79
Addition	603.02	271.88	
Deletion	-	-	
Balance as on 31 March 2022	1,432.22	706.29	725.93
Addition	2,068.44	469.14	
Deletion	-	-	
Balance as on 31 March 2023	3,500.66	1,175.43	2,325.23

Visage Holdings and Finance Private Limited
Notes to financial statements for the year ended 31 March 2023 (Continued)
(All amounts are in INR lacs except share data and unless otherwise stated)

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 2023	Year ended 31 March 2022
a)	(i) Weighted average number of equity shares for basic EPS	Nos	1,12,65,939	67,28,146
	(ii) Effect of potential ordinary equity shares on employee stock options	Nos	1,20,114	88,322
	(iii) Effect of potential ordinary equity shares on compulsory convertible debenture	Nos	6,436	8,407
	(iv) Weighted average number of equity shares for diluted EPS	Nos	1,13,92,489	68,24,874
b)	Net profit after tax	INR in Lacs	4,119.14	1,459.19
c)	(i) Net profit for equity shareholders for basic EPS	INR in Lacs	4,119.14	1,459.19
	(ii) Net profit for equity shareholders for diluted EPS	INR in Lacs	4,119.14	1,459.19
d)	(i) Earnings per share (Face value of ₹ 10/- per share) – basic	INR	36.56	21.69
	(ii) Earnings per share (Face value of ₹ 10/- per share) – diluted	INR	36.16	21.38
	The reconciliation between basic and diluted earnings per share is as follows:			
	Basic Earnings per share	INR	36.56	21.69
	Effect of dilution of employee stock option	INR	(0.39)	(0.28)
	Effect of dilution of compulsory convertible debenture	INR	(0.02)	(0.03)
	Diluted earnings per share	INR	36.16	21.38

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 62,592 options under ESOP 2014 and 1,85,200 options under SOP 2014 , that would eventually convert into equity shares of INR 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. 62,592 options will get settled by issue of equity shares at the exercise price of INR 11 per option, 7,025 options will get settled by issue of equity shares at the exercise price of INR 519.03 per option and 16,000 options will get settled by issue of equity shares at the exercise price of INR 642.23 per option.

During the year, the Board has granted Nil options (31 March 2022 : Nil options) under Visage ESOP, 2014 and 16,000 options (31 March 2022 : Nil options) under Visage SOP, 2014 to the eligible persons of the Company.

Visage ESOP, 2017

Under Visage ESOP 2017, the Company provided for the creation and issue of 3,00,527 options, that would eventually convert into equity shares of INR 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 INR 415.56 per option, 66,000 options will get settled by issue of equity shares at the exercise price of INR 519.03 per option, 11,250 options will get settled by issue of equity shares at the exercise price of INR 635 per option, 1,33,100 options will get settled by issue of equity shares at the exercise price of INR 642.23 per option and 18,592 options will get settled by issue of equity shares at the exercise price of INR 733.98 per option.

During the year, the Board has granted 1,51,692 options (31 March 2022 : 15,000 options) under Visage ESOP, 2017 to the eligible employees of the Company.

Visage Holdings and Finance Private Limited

Notes to financial statements for the year ended 31 March 2023 (Continued)

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

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 2023

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	1.06	40.00%	0.00%	All options vested
9 May 2018	7.70 % -7.80%	5-8 years	196.77 - 250.55	415.56	415.56	1.24	40.00%	0.00%	All options vested
1 April 2019	6.80% - 7.30%	5-8 years	238.14 - 307.40	519.03	519.03	2.22	40.00%	0.00%	All options vested
10 June 2019	6.90% - 7.10%	5-8 years	238.76 - 305.38	519.03	519.03	2.36	40.00%	0.00%	FY 2023-24 - 11%
12 May 2021	5.34% - 6.12%	5-8 years	584.37 - 585.97	635.00	635.00	4.51	69.65%-79.68%	0.00%	FY 2023-24 - 25% FY 2024-25 - 25% FY 2025-26 - 3%
27 April 2022	6.02%	3.50-4.43 years	283.63 - 305.03	642.23	642.23	2.71	48.62%- 51.92%	0.00%	FY 2023-24 - 94% FY 2024-25 - 6%
27 April 2022	6.43%-7.03%	3.00-4.93 years	237.73 - 306.63	642.23	642.23	2.60	42.86%-44.58%	0.00%	FY 2023-24 - 69% FY 2024-25 - 25% FY 2025-26 - 6%
27 April 2022	6.43%-7.03%	3.00-5.93 years	237.73 - 337.53	642.23	642.23	3.24	42.86%-44.58%	0.00%	FY 2023-24 - 44% FY 2024-25 - 25% FY 2025-26 - 25% FY 2026-27 - 6%
20 October 2022	7.38% - 7.39%	3.00-3.95 years	277.46 - 321.40	733.98	733.98	2.70	44.13%	0.00%	FY 2023-24 - 81% FY 2024-25 - 19%
20 October 2022	7.38% - 7.39%	3.00-4.95 years	277.46 - 355.30	733.98	733.98	3.09	44.13%	0.00%	FY 2023-24 - 56% FY 2024-25 - 25% FY 2025-26 - 19%

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	-	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	3.64	40.00%	0.00%	All options vested
27 April 2022	6.02%	3.50-4.43 years	283.63 - 305.03	642.23	642.23	2.71	48.62%- 51.92%	0.00%	FY 2023-24 - 94% FY 2024-25 - 6%

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.

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 2023		Year ended 31 March 2022	
	Number of share options	Wtd. Avg. price	Number of share options	Wtd. Avg. price
Outstanding options at the beginning of the year	1,16,250	495.54	1,05,000	480.60
Add: Granted during the year	1,33,100	642.23	15,000	635.00
	18,592	733.98		
Less: Exercised during the year	-	-	-	-
Less: Lapsed/forfeited during the year	-	-	3,750	635
Outstanding options at the end of the year	2,67,942	584.95	1,16,250	495.54
Average remaining contractual life for options outstanding at the end of the year		2.47 years		3.10 years
Options vested and exercisable at the end of the year	1,08,321		85,892	

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Notes to financial statements for the year ended 31 March 2023 (Continued)
(All amounts are in INR lacs except share data and unless otherwise stated)

38 Share-based payments (Continued)

ESOP and SOP 2014

Particulars	Year ended 31 March 2023		Year ended 31 March 2022	
	Number of share options	Wtd. Avg. price	Number of share options	Wtd. Avg. price
Outstanding options at the beginning of the year	69,617	62.26	77,592	109.21
Add: Granted during the year	16,000	642.23	-	-
Less: Exercised during the year	-	-	-	-
Less: Lapsed/forfeited during the year	-	-	7,975	519.03
Outstanding options at the end of the year	85,617	170.65	69,617	62.26
Average remaining contractual life for options outstanding at the end of the year	0.72 years		0.37 years	
Options vested and exercisable at the end of the year	69,617		69,617	

D Equity shares reserved for issue under options

	No. of options granted (net of laspsed)	Exercise price (₹)	As at 31 March 2023		As at 31 March 2022	
			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
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	48,500	4.85
10 June 2019	17,500	519.03	17,500	1.75	17,500	1.75
12 May 2021	11,250	635.00	11,250	1.13	11,250	1.13
27 April 2022	1,33,100	642.23	1,33,100	13.31	-	-
20 October 2022	18,592	733.98	18,592	1.86	-	-
ESOP and SOP 2014:						
12 August 2014	58,392	11.00	58,392	5.84	58,392	5.84
28 April 2015	4,200	11.00	4,200	0.42	4,200	0.42
31 July 2019	7,025	519.03	7,025	0.70	7,025	0.70
27 April 2022	16,000	642.23	16,000	1.60	-	-

*Face Value per share at INR 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, expense of INR 346.75 lacs (31 March 2022: INR 62.88 lacs) and expense of INR 38.57 lacs [31 March 2022: INR (12.81 lacs)] has been included under 'Employee Benefits Expense' and "Other Expense" respectively based on respective grant date fair value.

Visage Holdings and Finance Private Limited
Notes to financial statements for the year ended 31 March 2023 (Continued)
(All amounts are in INR lacs except share data and unless otherwise stated)

39 Related parties disclosures

(i) Name of related parties and description of relationship (where there are transactions):

A	**Entity having significant influence over the Company**	**Nature of Relationship**
	Nuveen Global Impact Fund India S.À R.L	Shareholder
B	**Key Managerial Personnel ('KMP') and their Relatives**	**Nature of Relationship**
	Hardika Shah	Director and Chief Executive Officer
	Thirunavukkarasu Rajendran	Director and Chief Operating Officer
	Aiswarya Ravi	Chief Financial Officer
	Sutheja KJ	Company Secretary (resigned w.e.f 12 April 2023)
C	**Directors**	**Nature of Relationship**
	Bhavna Thakur	Independent Director
	Sunil Satyapal Gulati	Independent Director
	Ravindra Pisharody	Independent Director
D	**Entity in which KMP/Director or his relative is Member or Director**	
	KVS Consulting, LLC	

(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 2023	Outstanding amount as at 31 March 2023	Transaction value for the year ended 31 March 2022	Outstanding amount as at 31 March 2022
A) Entity having significant influence over the Company					
Nuveen Global Impact Fund India S.À R.L	Receipt of allotment money on issue of Equity shares (including premium)	22,075.12	-	-	-
B) Key Managerial Personnel and their Relatives					
1.Hardika Shah	Remuneration and incentive	202.05	(45.00)	114.00	(19.00)
	Reimbursement of expenses	13.72	-	0.02	-
	Allotment of shares on conversion of compulsory convertible debentures	10.23	-	5.12	-
	Issue of compulsory convertible debentures	-	(31.52)	-	(41.76)
2.Thirunavukkarasu Rajendran	Remuneration and incentive	148.50	(34.50)	102.00	(17.00)
	Stock option expenses	52.81	-	15.84	-
	Reimbursement of expenses	10.64	1.12	1.94	0.01
	Contribution to Provident Fund	0.22	-	0.22	-
	Purchase of Plant, Property and Equipment	0.03	-	0.05	-
3.Aiswarya Ravi	Remuneration and incentive	127.10	(25.00)	84.00	(14.00)
	Stock option expenses	109.16	-	9.68	-
	Purchase of Plant, Property and Equipment	-	-	1.56	-
	Reimbursement of expenses	1.95	-	30.11	0.13
	Contribution to Provident Fund	0.22	-	0.22	-
4.Sutheja KJ	Remuneration and incentive	21.22	(4.82)	18.86	(2.64)
	Contribution to Provident Fund	0.22	-	0.21	-
	Reimbursement of expenses	1.13	-	0.09	-
C) Independent Directors					
Bhavna Thakur	Sitting fees	10.00	-	5.75	-
Sunil Satyapal Gulati	Sitting fees	11.00	-	7.20	-
Ravindra Pisharody	Sitting fees	8.00	-	7.50	-
D) Entity in which KMP/Director or his relative is Member or Director					
KVS Consulting, LLC	Professional Fees	64.80	(5.40)	42.60	(3.55)
	Reimbursement of expenses	3.00	(0.25)	-	-

(iii) Compensation of key managerial personnel

	Year ended 31 March 2023	Year ended 31 March 2022
Short-term employee benefits	499.87	318.86
Post-employment defined benefit*	0.66	0.65
Share based payments	161.97	25.52
	662.49	345.03

*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.

Visage Holdings and Finance Private Limited
Notes to financial statements for the year ended 31 March 2023 (Continued)
(All amounts are in INR lacs except share data and unless otherwise stated)

40 Contingent liabilities and commitments

a) Contingent liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Claims against the Company not acknowledged as debt		
Income tax matters under dispute	111.86	111.86

These claims against the Company are arising on account of disallowances on completion of assessment proceedings under the Income-tax Act, 1961, such as disallowance of bad-debt expenditure.
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 are any material foreseeable losses.
The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial performance and financial position 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.

	As at 31 March 2023	As at 31 March 2022
b) Commitments [to the extent not provided for]		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances and capital work-in-progress)	9.20	5.07

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.

The following table sets out the carrying amounts and fair values of all financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities and the carrying amount of the derecognised financial assets measured at amortised cost :-

As at 31 March 2023	Financial assets at fair value through other comprehensive income	Financial assets at amortised cost	Financial assets at fair value through profit or loss
Assets			
Securitisation transaction	-	-	-
Carrying amount of assets	-	-	-
Associated liabilities			
Payables under securitisation arrangement	-	-	-
Carrying amount of associated liabilities	-	-	-
For those liabilities that have recourse only to the transferred financial assets			
Assets			
Securitisation transaction	-	-	-
Fair value of assets	-	-	-
Associated liabilities			
Payables under securitisation arrangement	-	-	-
Fair value of associated liabilities	-	-	-

Visage Holdings and Finance Private Limited
Notes to financial statements for the year ended 31 March 2023 (Continued)
(All amounts are in INR lacs except share data and unless otherwise stated)

41 Transfers of financial assets (Continued)

As at 31 March 2022	Financial assets at fair value through other comprehensive income	Financial assets at amortised cost	Financial assets at fair value through profit or loss
Assets			
Securitisation transaction	594.35	-	-
Carrying amount of assets	594.35	-	-
Associated liabilities			
Payables under securitisation arrangement	-	293.85	-
Carrying amount of associated liabilities	-	293.85	-
For those liabilities that have recourse only to the transferred financial assets			
Assets			
Securitisation transaction	594.35	-	-
Fair value of assets	594.35	-	-
Associated liabilities			
Payables under securitisation arrangement	-	293.85	-
Fair value of associated liabilities	-	293.85	-

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.

Particulars	As at 31 March 2023 FVTPL	FVTOCI	Amortised cost
Financial assets:			
Cash and cash equivalents	-	-	52,702.58
Bank balance other than cash and cash equivalents	-	-	8,915.77
Derivative financial instruments	86.23	-	-
Loans	-	1,61,487.52	100.84
Investments	115.13	-	-
Other financial assets	17,555.79	-	3,719.15
	17,757.15	1,61,487.52	65,438.34
Financial liabilities:			
Derivative financial instruments	-	-	-
Trade payables	-	-	234.51
Debt securities	-	-	73,800.60
Borrowings (other than debt securities)	-	-	90,530.72
Subordinated liabilities	-	-	2,213.52
Lease Liabilities	-	-	2,408.79
Other financial liabilities	150.18	-	10,811.71
	150.18	-	1,79,999.85

Particulars	As at 31 March 2022 FVTPL	FVTOCI	Amortised cost
Financial assets:			
Cash and cash equivalents	-	-	31,269.75
Bank balance other than cash and cash equivalents	-	-	1,388.81
Loans	-	98,773.15	52.02
Investments	108.51		
Other financial assets	7,430.33	-	1,824.60
	7,538.84	98,773.15	34,535.18
Financial liabilities:			
Derivative financial instruments			
Trade payables	198.03	-	164.96
Debt securities	-	-	59,944.64
Borrowings (other than debt securities)	-	-	48,894.36
Subordinated liabilities	-	-	4,865.47
Lease Liabilities	-	-	833.44
Other financial liabilities	45.54	-	5,871.01
	243.57	-	1,20,573.88

Visage Holdings and Finance Private Limited
Notes to financial statements for the year ended 31 March 2023 (Continued)
(All amounts are in INR lacs except share data and unless otherwise stated)

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 2023	Level 1	Level 2	Level 3	Total
Financial assets:				
Derivative financial instruments	-	86.23		86.23
Loans	-	-	1,61,487.52	1,61,487.52
Investments	-	115.13	-	115.13
Other financial assets	-	-	17,555.79	17,555.79
	-	201.36	1,79,043.31	1,79,244.67
Financial liabilities:				
Derivative financial instruments	-	-	-	-
Other financial liabilities	-	-	150.18	150.18
	-	-	150.18	150.18

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 2023	Amortised cost	Fair Value	Level 1	Level 2	Level 3	Total
Financial assets:						
Bank balance other than cash and cash equivalents	8,915.77	8,914.79	-	8,914.79	-	8,914.79
Loans	100.84	100.84	-	100.84	-	100.84
Other financial assets	3,719.15	3,719.15	-	3,719.15	-	3,719.15
	12,735.76	12,734.78	-	12,734.78	-	12,734.78
Financial liabilities:						
Debt securities	73,800.60	74,556.94	-	74,556.94	-	74,556.94
Borrowings (other than debt securities)	90,530.72	90,786.96		90,786.96	-	90,786.96
Subordinated liabilities	2,213.52	2,205.94	-	2,205.94	-	2,205.94
Lease Liabilities	2,408.79	2,408.79	-	2,408.79	-	2,408.79
Other financial liabilities	10,811.71	8,622.54	-	2,410.81	6,211.73	8,622.54
	1,79,765.34	1,78,581.17	-	1,72,369.44	6,211.73	1,78,581.17

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

As at 31 March 2022	Level 1	Level 2	Level 3	Total
Financial assets:				
Loans	-	-	98,773.15	98,773.15
Investments	-	108.51	-	108.51
Other financial assets	-	-	7,430.33	7,430.33
	-	108.51	1,06,203.48	1,06,311.99
Financial liabilities:				
Derivative financial instruments	-	-	-	-
Other financial liabilities	-	198.03	45.54	243.57
	-	198.03	45.54	243.57

Visage Holdings and Finance Private Limited

Notes to financial statements for the year ended 31 March 2023 (Continued)

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

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 2022	Amortised cost	Fair value	Level 1	Level 2	Level 3	Total
Financial assets:						
Bank balance other than cash and cash equivalents	1,388.81	1,392.07	-	1,392.07	-	1,392.07
Loans	52.02	52.02	-	52.02	-	52.02
Other financial assets	1,824.60	1,823.23	-	1,823.23	-	1,823.23
	3,265.43	**3,267.32**	-	**3,267.32**	-	**3,267.32**
Financial liabilities:						
Debt securities	59,944.64	60,483.38	-	60,483.38	-	60,483.38
Borrowings (other than debt securities)	48,894.36	49,020.93	-	49,020.93	-	49,020.93
Subordinated liabilities	4,865.47	4,819.82	-	4,819.82	-	4,819.82
Lease Liabilities	833.44	833.44	-	833.44	-	833.44
Other financial liabilities	5,871.01	5,368.65	-	969.44	4,399.21	5,368.65
	1,20,408.92	1,20,526.22	-	1,16,127.01	4,399.21	1,20,526.22

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.

Visage Holdings and Finance Private Limited
Notes to financial statements for the year ended 31 March 2023 (Continued)
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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 liabilities 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.
	Cross currency interest rate swap (CCIRS) held for the purpose of hedging foreign currency denominated External Commercial Borrowings are accounted as a cash flow hedge. CCIRS is being considered under Level 2 for fair valuation which is performed through discounted cash flow method by deriving future forward rates from published zero coupon yield curve. All future cash flows for both the paying and receiving legs in the swap contract are discounted to present value using these forward rates and accordingly arrived at the valuation for a point of time.	Not applicable	Not applicable
	Investments in Category III Alternative Investment Fund : Net Asset Value	Not applicable	Not applicable

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

Particulars	As at 1 April 2022	Purchase / origination	Sales / run-off	Interest income	Other Comprehensive Income	As at 31 March 2023
Financial Instruments at FVOCI	1,02,451.87	1,88,270.41	1,60,742.98	36,259.72	(200.06)	1,66,038.96

Particulars	As at 31 March 2021	Purchase / origination	Sales / run-off	Interest income	Other Comprehensive Income	As at 31 March 2022
Financial Instruments at FVOCI	87,635.96	79,293.62	85,266.19	20,801.95	(13.47)	1,02,451.87

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Notes to financial statements for the year ended 31 March 2023 (Continued)
(All amounts are in INR lacs except share data and unless otherwise stated)

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 (10.59%), 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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Notes to financial statements for the year ended 31 March 2023 (Continued)
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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 credit guarantee offered by National Credit Guarantee Trustee Company Ltd (NCGTC) vide Emergency Credit Line Guarantee Scheme (ECLGS).
the credit guarantee offered under guarantee agreement through Finreach Solutions Private Limited with guarantee from Norther Arc Capital Limited and Michael & Susan Dell Foundation
The Company has applied a floor rate of minimum 13.04% 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;

Visage Holdings and Finance Private Limited

Notes to financial statements for the year ended 31 March 2023 (Continued)

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

43 Financial risk management (Continued)

h) 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	2023	2024	2025	2026	2027	2028
Base Case	5.890%	6.331%	6.206%	6.069%	6.002%	6.042%
Best Case	6.479%	6.964%	6.827%	6.675%	6.602%	6.646%
Worst Case	5.301%	5.698%	5.585%	5.461%	5.402%	5.438%

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 31 March 2021	72.07
New financial assets originated or purchased	41.94
Financial assets that have been derecognised / repaid	(61.99)
Gross carrying amount on 31 March 2022	52.02
New financial assets originated or purchased	111.59
Financial assets that have been derecognised / repaid	(62.77)
Gross carrying amount on 31 March 2023	100.84

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 31 March 2021	70,785.01	7,765.29	9,085.66
Transfer to Stage 1	4,207.67	(2,379.34)	(1,828.33)
Transfer to Stage 2	(3,035.49)	3,590.90	(555.41)
Transfer to Stage 3	(3,686.49)	(3,073.62)	6,760.11
New financial assets originated or purchased	78,193.74	489.00	610.88
Financial assets that have been derecognised (includes bad debts written off) / repaid	(56,889.07)	(2,275.88)	(5,312.76)
Gross carrying amount on 31 March 2022	89,575.37	4,116.35	8,760.15
Transfer to Stage 1	381.41	(187.54)	(193.87)
Transfer to Stage 2	(2,521.92)	2,551.31	(29.39)
Transfer to Stage 3	(6,753.77)	(991.89)	7,745.66
New financial assets originated or purchased	1,86,875.77	643.02	751.62
Financial assets that have been derecognised (includes bad debts written off) / repaid	(1,14,161.98)	(2,800.25)	(7,721.09)
Gross carrying amount on 31 March 2023	1,53,394.88	3,331.00	9,313.08

Reconciliation between Stage 3 assets and Portfolio at Risk account wise (90+ Bucket)	As at 31 March 2023	As at 31 March 2022
Stage 3 assets as at	9,313.08	8,760.15
Adjustment required as per Ind AS 109	634.45	(1,427.48)
Significant increase in credit risk trigger due to restructures	(1,068.87)	(688.48)
NPAs due to implementation of RBI circular RBI/2021-2022/125 DOR.STR.REC.68/21.04.048/2021-22 dated 12 November 2021 and RBI/2021-2022/158 DOR.STR.REC.85/21.04.048/2021-22 dated 15 February 2022	(219.26)	-
Borrowers with other loans in 90+ Bucket	(604.59)	(634.51)
Guarantee Claim received	126.61	777.56
Portfolio at Risk account wise (90+ Bucket) *	8,181.42	6,787.24

*Portfolio at Risk account wise (90+ Bucket) represents principal outstanding on the accounts that are more than 90 days past due.

The contractual amount outstanding on financial assets that has been written off by the Company during the year ended 31 March 2023 and that were still subject to enforcement activity was INR 7,422.37 lacs (31 March 2022: INR 3,123,86 lacs).

Visage Holdings and Finance Private Limited

Notes to financial statements for the year ended 31 March 2023 (Continued)

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

43 Financial risk management (Continued)

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 31 March 2021	529.60	121.65	2,109.91
Transfer to Stage 1	416.53	(43.54)	(372.99)
Transfer to Stage 2	(21.76)	159.72	(137.96)
Transfer to Stage 3	(29.50)	(46.86)	76.36
New financial assets originated or purchased	609.02	7.84	98.89
Remeasurement due to changes in EAD	(713.58)	(151.41)	2,161.78
Financial assets that have been derecognised (includes bad debts written off) / repaid	(83.01)	(14.56)	(997.41)
Loss allowance on 31 March 2022	707.30	32.84	2,938.58
Transfer to Stage 1	3.44	(2.15)	(1.29)
Transfer to Stage 2	(31.93)	32.03	(0.10)
Transfer to Stage 3	(1,319.85)	(71.21)	1,391.06
New financial assets originated or purchased	2,292.06	22.39	325.94
Remeasurement due to changes in EAD	-	-	-
Financial assets that have been derecognised (includes bad debts written off) / repaid	1,042.56	41.73	(2,851.96)
Loss allowance on 31 March 2023	2,693.58	55.63	1,802.23

Total impairment loss allowances as on balancesheet date	Note #	As at 31 March 2023	As at 31 March 2022
On Term Loans:-			
Stage 1	5	2,693.58	707.30
Stage 2	5	55.63	32.84
Stage 3	5	1,802.23	2,938.58
On Stage 3 interest (netted off from Term Loans)	5	2,004.34	959.40
On Co-lending receivables	7	1,092.96	195.45
Total		7,648.74	4,833.57

	Stage 1	Stage 2	Stage 3
Carrying Amount (Net of Provision for Impairment Loss Allowance) on 31 March 2022	88,868.07	4,083.51	5,821.57
Carrying Amount (Net of Provision for Impairment Loss Allowance) on 31 March 2023	1,50,701.30	3,275.37	7,510.85

	Stage 1	Stage 2	Stage 3
Weighted average expected credit loss rate on 31 March 2022	0.79%	0.80%	33.54%
Weighted average expected credit loss rate on 31 March 2023	1.76%	1.67%	19.35%

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 loans where South Zone represents Andhra Pradesh, Telangana, Tamil Nadu and Puducherry, and West Zone represents Gujarat, Maharashtra and Karnataka:-

Loans to customers (measured at fair value through OCI)	As at 31 March 2023	As at 31 March 2022
South Zone	1,00,876.84	60,661.11
West Zone	65,162.12	41,790.76
Total	1,66,038.96	1,02,451.87

Loans to customers (%)	As at 31 March 2023	As at 31 March 2022
South Zone	60.75%	59.21%
West Zone	39.25%	40.79%
Total [Gross carrying amount]	100.00%	100.00%

Visage Holdings and Finance Private Limited
Notes to financial statements for the year ended 31 March 2023 (Continued)
(All amounts are in INR lacs except share data and unless otherwise stated)

43 Financial risk management (Continued)
Quantitative information of Collateral

As at	Maximum exposure to credit risk	Collateral (Machinery)*	Net exposure	Associated ECL**
31 March 2022	1,02,451.87	60,071.80	42,380.07	8.68%
31 March 2023	1,66,038.96	46,888.37	1,19,150.59	3.82%

* 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 per the format prescribed as per the notification no. RBI/2020-21/17 DOR.NO.BP.BC/3.21.04.048/2020-21 dated 06 August 2020 on "Micro, Small and Medium Enterprise (MSME) Sector - Restructuring of Advances" having exposure less than or equal to ₹ 25 crores for the year ended

As at	Number of loans restructured during the year	Amount (INR in lacs)
31 March 2022	442	1,663.48
31 March 2023	NA	NA

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, external commercial borrowings and commercial paper. 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 Company has been duly servicing its debt obligations, maintains a healthy capital adequacy ratio and has adequate capital and financial resources to run its business.

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.

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 2023

Particulars	Contractual cash flows					
	Carrying amount	Gross nominal outflow	0-12 months	1-3 years	3-5 years	More than 5 years
Financial liabilities						
Derivative financial instruments	-	-	-	-	-	-
Trade payables	234.51	234.51	234.51	-	-	-
Debt securities	73,800.60	92,855.72	28,277.52	60,011.05	4,567.15	-
Borrowings (other than debt securities)*	90,530.72	1,07,841.92	46,885.68	53,523.22	7,433.02	-
Subordinated liability	2,213.52	2,853.87	328.02	2,525.85	-	-
Lease liabilities	2,408.79	2,676.87	919.19	1,076.57	681.11	-
Other financial liabilities	10,961.89	10,961.89	3,409.76	4,839.87	2,705.74	6.52

* Refer note 17

As at 31 March 2022

Particulars	Contractual cash flows					
	Carrying amount	Gross nominal outflow	0-12 months	1-3 years	3-5 years	More than 5 years
Financial liabilities						
Derivative financial instruments	198.03	198.03		198.03		
Trade payables	164.96	164.96	164.96	-	-	-
Debt securities	59,944.64	76,849.92	21,627.18	42,621.43	12,601.31	-
Borrowings (other than debt securities)*	48,894.36	56,839.07	29,192.24	26,355.28	1,291.55	-
Subordinated liability	4,865.47	6,631.65	3,752.02	2,879.63	-	-
Lease liabilities	833.44	951.63	423.42	528.21	-	-
Other financial liabilities	5,916.55	5,916.55	1,666.80	2,181.47	1,946.32	121.96

* Refer note 17

Visage Holdings and Finance Private Limited
Notes to financial statements for the year ended 31 March 2023 (Continued)
(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.

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 2023	As at 31 March 2022
Fixed rate instruments		
Cash and cash equivalents	52,702.58	31,269.75
Bank balance other than cash and cash equivalents	8,915.77	1,388.81
Loans	1,61,588.36	98,825.17
Other financial assets	21,274.94	9,254.93
Total financial assets	2,44,481.65	1,40,738.66
Trade Payables	234.51	164.96
Debt securities	73,800.60	59,944.64
Borrowings (other than debt securities)	37,692.42	30,056.33
Subordinated liabilities	2,213.52	4,865.47
Lease Liabilities	2,408.79	833.44
Other financial liabilities	10,961.89	5,916.55
Total financial liabilites	1,27,311.73	1,01,781.39
Variable rate instruments		
Borrowings (other than debt securities)	52,838.30	18,838.03

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.

Visage Holdings and Finance Private Limited

Notes to financial statements for the year ended 31 March 2023 (Continued)

(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 2023		
Variable rate instruments	(571.57)	321.59
As at 31 March 2022		
Variable rate instruments	(162.01)	117.15

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.

Pricing Risk

The Company's Investment in Mutual Funds is exposed to pricing risk. Other financial instruments held by the company does not possess any risk associated with trading. A 5 percent increase in Net Assets Value (NAV) would increase profit after tax by approximately INR 4.38 lacs (31 March 2022: INR 4.06 lacs). A similar percentage decrease would have resulted equivalent opposite impact.

Foreign Currency risk

The Company is exposed to foreign currency fluctuation risk for its foreign currency borrowing (FCB). The Company's borrowings in foreign currency are governed by RBI guidelines (RBI master direction RBI/FED/2018-19/67 dated 26 March 2019 and updated from time to time) which requires entities raising ECB for an average maturity of less than 5 years to hedge minimum 70% of the its ECB exposure (Principal and Coupon). The Company hedges its entire ECB exposure for the full tenure of the ECB as per Board approved Foreign Exchange Risk Management Policy.

The Company for its FCB, evaluates the foreign currency exchange rates, tenure of FCB and its fully hedged costs. The Company manages its currency risks by entering into derivatives contracts as hedge positions and the same are being governed through the Board approved Foreign Exchange Risk Management Policy. The Company holds derivative financial instruments such as cross currency interest rate swap to mitigate risk of changes in exchange rate in foreign currency and floating interest rate. The counterparty for these contracts is generally a bank.

The Company's exposure of foreign currency risk at the end of the reporting period expressed in INR lacs are as follows:

Particulars	As at 31 March 2023		As at 31 March 2022
	Contract in USD	Contract in EURO	Contract in EURO
Hedged			
External Commercial Borrowings	(11,508.00)	(6,920.00)	(6,920.00)
Derivative financial instruments*	11,508.00	6,920.00	6,920.00
Unhedged	-	-	-

* represents the notional amount of the derivative financial instrument

Hedging policy

The Company's hedging policy only allows for effective hedging relationships to be considered as hedges as per the relevant Ind AS. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Company enters into hedge relationships where the critical terms of the hedging instrument match with the terms of the hedged item, and so a qualitative and quantitative assessment of effectiveness is performed.

Impact of hedge on the Balance Sheet:

Particulars	As at 31 March 2023		As at 31 March 2022	
	Notional Amount	Carrying amount of hedging instrument liability	Notional Amount	Carrying amount of hedging instrument liability
CCIRS	18,428.00	86.23	6,920.00	(198.03)

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Notes to financial statements for the year ended 31 March 2023 (Continued)
(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 2022	Inflow	Outflow	Non Cash Changes*	As at 31 March 2023
Debt securities	59,944.64	29,400.13	(15,378.32)	(165.85)	73,800.60
Borrowings (other than debt securities)	48,894.36	73,618.00	(32,261.60)	279.96	90,530.72
Subordinated liabilities	4,865.47	-	-	(2,651.95)	2,213.52
Lease Liabilities	833.44	-	(650.96)	2,226.31	2,408.79
Total Liabilities from financing activities	1,14,537.91	1,03,018.13	(48,290.88)	(311.53)	1,68,953.63

Particulars	As at 1 April 2021	Inflow	Outflow	Non Cash Changes*	As at 31 March 2022
Debt securities	29,262.06	38,270.95	(7,339.27)	(249.10)	59,944.64
Borrowings (other than debt securities)	49,748.94	36,320.00	(36,925.37)	(249.21)	48,894.36
Subordinated liabilities	4,836.28	-	-	29.19	4,865.47
Lease Liabilities	449.63	-	(322.99)	706.80	833.44
Total Liabilities from financing activities	84,296.91	74,590.95	(44,587.63)	237.68	1,14,537.91

* Represents adjustments on account of EIR and other adjustments

45 Capital management

The Reserve Bank of India vide its circular reference 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 2023 and 31 March 2022 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 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 , long-term loans and commercial paper. 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 I 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 II capital, which includes qualifying subordinated liabilities, hybrid debt instruments and impairment provision in respect of stage 1 assets.

Financial Ratios	Numerator	Denominator	As at 31 March 2023	As at 31 March 2022	% Variance	Reason for variance
Risk weighted assets			1,64,846.53	95,077.40		
CRAR (Capital-to-Risk weighted Assets Ratio)(%)	Tier I and Tier II capital	Risk weighted assets	32.0%	18.5%	73.2%	Due to reasons stated below.
CRAR -Tier I Capital (%)	Tier I capital	Risk weighted assets	30.5%	16.7%	82.0%	Due to fresh issue to equity shares
CRAR -Tier II Capital (%)	Tier II capital	Risk weighted assets	1.5%	1.8%	-16.1%	Due to discounting of subordinated debts as required by RBI Master Direction for NBFC- NDSI and increase in loans included in risk weighted assets
Liquidity coverage ratio*	Highly qualified Liquid assets	Net Cash outflow	Not Applicable			

*RBI vide circular dated 4.11.2019 issued the guidelines covering liquidity risk management for NBFCs wherein RBI introduced Liquidity Coverage Ratio (LCR) applicable on all non-deposit taking NBFCs with asset size of more than INR 5,00,000 lacs. The Company does not meet the criteria accordingly the disclosure provisions not applicable to the Company.

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.

Visage Holdings and Finance Private Limited
Notes to financial statements for the year ended 31 March 2023 (Continued)
(All amounts are in INR lacs except share data and unless otherwise stated)

46 Disclosures as required under Master Direction - Non-Banking Financial Company - Systemically Important Non Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended

The Reserve Bank of India, vide its circular reference RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13 March 2020 outlined 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'.

(a) Capital	As at 31 March 2023	As at 31 March 2022
(i) CRAR (%)	32.0%	18.5%
(ii) CRAR -Tier I Capital (%)	30.5%	16.7%
(iii) CRAR -Tier II Capital (%)	1.5%	1.8%
(iv) Subordinated debt as Tier-II capital	2,213.52	4,865.47
(v) Perpetual debt instruments	-	-

(b) Investments	As at 31 March 2023	As at 31 March 2022
Value of Investments		
(i) Gross Value of Investments		
(a) In India	115.13	108.51
(b) Outside India	-	-
(ii) Provisions for Depreciation		
(a) In India	-	-
(b) Outside India	-	-
(iii) Net Value of Investments		
(a) In India	115.13	108.51
(b) Outside India	-	-

(c) Derivative	As at 31 March 2023	As at 31 March 2022
1 Forward Rate Agreement / Interest rate Swap		
(i) The notional principal of swap agreements	18,428.00	6,920.00
(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	86.23	(198.03)

The Company does not have any exposure to exchange traded interest rate (IR) derivatives as at 31 March 2023 and 31 March 2022.

2 Disclosures on risk exposure in derivatives

Qualitative disclosure

Details for qualitative disclosure are part of accounting policy as per financial statements. [Refer note no. 2.18 & 43 (iv)]

Quantitative Disclosures

Particulars	As at 31 March 2023	As at 31 March 2022
(i) Derivatives (Notional Principal Amount) : For Hedging	18,428.00	6,920.00
(ii) Marked to Market Positions		
(a) Asset (+)	86.23	-
(b) Liability (-)	-	198.03
(iii) Credit Exposure	-	-
(iv) Unhedged Exposures	-	-

Visage Holdings and Finance Private Limited
Notes to financial statements for the year ended 31 March 2023 (Continued)
(All amounts are in INR lacs except share data and unless otherwise stated)

46 Disclosures as required under Master Direction - Non-Banking Financial Company - Systemically Important Non Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended (Continued)

(d) Disclosures relating to Securitisation^	As at 31 March 2023	As at 31 March 2022
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 **	-	3
2 Total amount of securitised assets as per books of the SPVs sponsored	-	607.92
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	-	317.53
Others	-	-
b) On-balance sheet exposures		
First loss	-	86.67
Others	-	274.33
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)	-	-
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 2023	As at 31 March 2022
Total number of contracts for loan assets securitised during the year	-	-
Book value of Loan assets securtised during the year	-	-
Sale consideration received for securitised assets during the year	-	-
Gain/ Loss (if any) on sale on securitised loan assets	-	-
Quantum (Outstanding value) of service provided Credit enhancement (over collateral and cash collateral)	-	-

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 2023 and 31 March 2022.

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 2023 and 31 March 2022.

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Notes to financial statements for the year ended 31 March 2023 (Continued)
(All amounts are in INR lacs except share data and unless otherwise stated)

46 Disclosures as required under Master Direction - Non-Banking Financial Company - Systemically Important Non Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended (Continued)

4 Disclosures relating to loans transferred / acquired through assignment / novation and loan participation

(a) Details of transfer through assignment in respect of loans not in default during the year

		As at 31 March 2023	As at 31 March 2022
(i)	Counts of loan accounts assigned	954	-
(ii)	Amount of loan accounts assigned	11,713.21	-
(iii)	Retention of beneficial economic interest (MRR)	1,171.32	-
(iv)	Weighted average maturity (Residual maturity)	2.45 - 2.81 years	-
(v)	Weighted average holding period	1.01 - 1.50 years	-
(vi)	Coverage of tangible security coverage	Nil	
(vii)	Rating wise distribution of rated loans	NA	

(b) Details of transfer through loan participation in respect of loans not in default during the year

		As at 31 March 2023	As at 31 March 2022
(i)	Counts of loan accounts	8,612	4,109
(ii)	Amount of loan accounts	79,993.45	33,333.30
(iii)	Retention of beneficial economic interest (MRR)	19,162.39	6,991.06
(iv)	Weighted average maturity (Residual maturity)	3.06 years	3.39 years
(v)	Weighted average holding period	NA	NA
(vi)	Coverage of tangible security coverage	Nil	Nil
(vii)	Rating wise distribution of rated loans	NA	NA

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 2023 and 31 March 2022.

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 2023 and 31 March 2022.

(e) Asset Liability Management - Maturity pattern of certain items of Assets and Liabilities

	1 day to 30/31 days (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	41,970.42	13,154.06	1,256.23	1,039.96	2,684.67	1,553.03	-	-	61,658.37
Advances	9,792.44	4,150.89	4,087.42	12,776.43	25,836.96	82,238.22	26,570.72	686.72	1,66,139.80
Investments	-	-	-	-	115.13	-	-	-	115.13
Borrowings*	3,276.05	3,160.72	6,898.55	11,380.91	33,319.73	97,796.89	10,711.99	-	1,66,544.84
Foreign currency assets	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	-	-	-	-	-	-	-	-	-

* Refer note 17.

(f) Exposures

1 Exposure to real estate sector

Category	As at 31 March 2023	As at 31 March 2022
Direct exposure		
A. Residential mortgages		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	-	-
B. Commercial mortgages		
Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure shall also include non-fund based limits	1,554.71	-
C. Investments in Mortgage Backed Securities (MBS) and other securitised exposures #		
a. Residential	-	-
b. Commercial Real Estate	-	-
Total Exposure to Real Estate Sector	1,554.71	-

2 Exposure to Capital Market
The Company has no exposure to Capital markets during the financial year ended 31 March 2023 and 31 March 2022.

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 2023 and 31 March 2022.

4 Unsecured advances	As at 31 March 2023	As at 31 March 2022
Unsecured Advances	1,22,807.00	42,130.43

(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 2023 and 31 March 2022.

Visage Holdings and Finance Private Limited
Notes to financial statements for the year ended 31 March 2023 (Continued)
(All amounts are in INR lacs except share data and unless otherwise stated)

46 Disclosures as required under Master Direction - Non-Banking Financial Company - Systemically Important Non Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended (Continued)

(i) Details of Ratings assigned by credit rating agencies and migration of ratings during the year

The Credit Analysis & Research Limited (CARE) , ICRA Limited and India Ratings have assigned ratings for the various facilities availed by the Company, details of which are given below:

Facility	31 March 2023			31 March 2022	
	India Ratings	CARE	ICRA	CARE	ICRA
Bank Facilities	IND BBB+/Stable	CARE BBB;Positive	[ICRA]BBB (Stable)	CARE BBB;Negative	[ICRA] BBB- (Negative);
Non Convertible Debentures	IND BBB+/Stable	CARE BBB;Positive	[ICRA]BBB (Stable)	CARE BBB;Negative	[ICRA] BBB- (Negative);
Principal Protected- Market Linked Debentures	IND PP-MLD BBB+/Stable	-	-	-	-
Subordinated Debentures	-	CARE BBB;Positive	-	CARE BBB;Negative	-
Commercial Paper	-	-	[ICRA] A3+	-	[ICRA] A3 (Three)
Short-term Bank facilities	-	-	[ICRA]A3+	-	[ICRA]A3

Date of rating assigned relates to rating valid on 31 March 2023

(j) Remuneration of non-executive Directors

	Name of directors	Nature of payment	As at 31 March 2023	As at 31 March 2022
1	Bhavna Thakur	Sitting Fees	10.00	5.75
2	Sunil Satyapal Gulati	Sitting Fees	11.00	7.20
3	Ravindra Pisharody	Sitting Fees	8.00	7.50

(k) Provisions and Contingencies

Break up of 'Provisions and Contingencies' shown in the Statement of Profit and Loss	As at 31 March 2023	As at 31 March 2022
Under "Impairment on financial instruments"		
1 Provision for standard assets (Stage 1 assets and Stage 2 assets)	2,009.07	88.89
2 Provision for non-performing assets (Stage 3 assets) excludes bad debts written off	(1,136.35)	828.68
3 Provision on other assets	1,542.57	182.53
4 Provision on loan commitment	-	0.94
Under "Tax expenses"		
Provision made towards income tax (includes deferred tax)	1,295.80	411.72
Under "Employee Benefit Expenses"		
1 Provision for Gratuity	128.39	82.05
2 Provision for compensated absences	121.94	98.77

(l) Concentration of Deposits, Advances, Exposures and NPAs

1 Concentration of Advances	As at 31 March 2023	As at 31 March 2022
Total advances to twenty largest borrowers	1,471.56	1,077.11
Percentage of advances to twenty largest borrowers to total advances	0.9%	1.1%

2 Concentration of Exposures	As at 31 March 2023	As at 31 March 2022
Total exposure to twenty largest borrowers/ customers	1,471.56	1,077.11
Percentage of exposures to twenty largest borrowers/ customers to total exposure on borrowers/ customers	0.9%	1.1%

3 Concentration of NPAs (Stage 3 assets)	As at 31 March 2023	As at 31 March 2022
Total exposure to top four NPA accounts (Stage 3 assets)	144.34	135.06

4 Sector-wise NPAs (Stage 3 assets)

	Sector	% of NPAs to Total Advances in the sector	
		As at 31 March 2023	As at 31 March 2022
(i)	Agriculture and allied activities	-	-
(ii)	MSME	5.6%	8.6%
(iii)	Corporate borrowers	-	-
(iv)	Services	-	-
(v)	Unsecured personal loans	-	-
(vi)	Auto loans	-	-
(vii)	Other loans	-	-

Visage Holdings and Finance Private Limited
Notes to financial statements for the year ended 31 March 2023 (Continued)
(All amounts are in INR lacs except share data and unless otherwise stated)

46 Disclosures as required under Master Direction - Non-Banking Financial Company - Systemically Important Non Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended (Continued)

(m) Movement of NPAs (Stage 3 Assets)	As at 31 March 2023	As at 31 March 2022
i) Net NPAs to Net Advances (%)	4.6%	5.9%
ii) Movement of NPAs (Gross)		
a) Opening balance	8,760.15	9,085.66
b) Additions during the year	8,497.28	7,370.99
c) Reductions during the year	7,944.35	7,696.50
d) Closing balance	9,313.08	8,760.15
iii) Movement of Net NPAs		
a) Opening balance	5,821.57	6,975.75
b) Additions during the year	6,780.28	5,033.96
c) Reductions during the year	5,091.00	6,188.14
d) Closing balance	7,510.85	5,821.57
iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
a) Opening balance	2,938.58	2,109.91
b) Provisions made during the year	1,717.00	2,337.03
c) Write-off / write-back of excess provisions	2,853.35	1,508.36
d) Closing balance	1,802.23	2,938.58

During the year, the company has also offered loan guaranteed under Credit Guarantee Fund Trust for Micro and Small Enterprises ['CGTMSE'] offered by Small Industries Development Bank of India ['SIDBI'] , Emergency Credit Line Guarantee Scheme (ECLGS) offered by National Credit Guarantee Trustee Company Ltd (NCGTC) and Finreach Solutions Private Limited with guarantee from Norther Arc Capital Limited and Michael & Susan Dell Foundation . After reducing the loan portfolio guaranteed by the above schemes, Company's NNPA stands at INR 5,428.47 lacs (31 March 2022 : INR 1,670.09 lacs) and NNPA % at 2.2% (31 March 2022 : 1.4%) on asset under management.

(n) Disclosure of complaints

Customer complaints	As at 31 March 2023	As at 31 March 2022
No. of complaints pending at the beginning of the year	-	-
No. of complaints received during the year	13	28
No. of complaints redressed during the year	13	28
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 financial year 31 March 2023 and 31 March 2022.

(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.

Visage Holdings and Finance Private Limited
Notes to financial statements for the year ended 31 March 2023 (Continued)
(All amounts are in INR lacs except share data and unless otherwise stated)

47 Disclosures as required under 'Scale Based Regulation (SBR)' vide circular RBI/2022-23/26 DOR.ACC.REC.No.20/21.04.018/2022-23 dated 19 April 2022

A) Exposure

1 Exposure to real estate sector
Refer Note 46 (f)

2 Exposure to capital market	As at 31 March 2023	As at 31 March 2022
i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt	-	-
ii) Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds	-	-
iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	-	-
iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances	-	-
v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	-	-
vi) Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	-	-
vii) Bridge loans to companies against expected equity flows / issues	-	-
viii) Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	-	-
ix) Financing to stockbrokers for margin trading	-	-
x) All exposures to Alternative Investment Funds:		
(i) Category I		
(ii) Category II		
(iii) Category III	115.13	108.51
Total	115.13	108.51

3 Sectorial Exposure

Sectors	As at 31 March 2023			As at 31 March 2022		
	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPA	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPA	Percentage of Gross NPAs to total exposure in that sector
MSME	2,48,731.14	9,947.53	4.0%	1,26,784.17	7,407.91	5.8%

4 Intra-group exposures	As at 31 March 2023	As at 31 March 2022
i) Total amount of intra-group exposures	Nil	Nil
ii) Total amount of top 20 intra-group exposures	Nil	Nil
iii) Percentage of intra-group exposures to total exposure of the NBFC on borrowers/customers	Nil	Nil

5 There is no unhedged foreign currency exposure in the company

B) Related Party Disclosure
Refer Note 39 for related party disclosure

C) Disclosure of complaints
1) Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman

		As at 31 March 2023	As at 31 March 2022
	Complaints received by the NBFC from its customers		
1	Number of complaints pending at beginning of the year	-	-
2	Number of complaints received during the year	13	28
3	Number of complaints disposed during the year	13	28
	3.1 - Of which, number of complaints rejected by the NBFC	-	-
4	Number of complaints pending at the end of the year	-	-
	Maintainable complaints received by the NBFC from Office of Ombudsman		
5	Number of maintainable complaints received by the NBFC from Office of Ombudsman	-	-
	5.1 - Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	-	-
	5.2 - Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	-	-
	5.3 - Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	-	-
6	Number of Awards unimplemented within the stipulated time (other than those appealed)	-	-

Visage Holdings and Finance Private Limited
Notes to financial statements for the year ended 31 March 2023 (Continued)
(All amounts are in INR lacs except share data and unless otherwise stated)

47 Disclosures as required under 'Scale Based Regulation (SBR)' vide circular RBI/2022-23/26 DOR.ACC.REC.No.20/21.04.018/2022-23 dated 19 April 2022 (Continued)

2) Top five grounds of complaints received by the NBFCs from customers

	As at 31 March 2023					As at 31 March 2022				
Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
Credit Bureau Reporting	-	4	-20%	-	-	-	5	400%	-	-
Deferred Payment Request	-	1	-50%	-	-	-	2	100%	-	-
Insurance Claims Related	-	-	-100%	-	-	-	2	0%	-	-
Moratarium Related	-	1	-88%	-	-	-	8	-11%	-	-
Recovery Practices	-	6	-33%	-	-	-	9	67%	-	-
Restructure/Settlement Request	-	1	-50%	-	-	-	2	100%	-	-
Total	-	13		-	-	-	28		-	-

C) Breach of covenants
Refer Note 17 for details on breach of covenants

D) Divergence in Asset Classification and Provisioning
There has been no assessment during the year by RBI

E) Corporate governance

1) Composition of the Board as on 31 March 2023

Sl. No.	Name ofDirector	Directorsince	Capacity (i.e. Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	DIN	Number of Board Meetings		No. of other Director ships	Remuneration			No. of shares held in, and convertible instrumentsheld in the NBFC
					Held	Attended		Salary and other compensation	SittingFee	Commission	
1	Hardika Shah	07.09.2011	Executive Director	03562871	6	6	NIL	Refer Note 39 – Related party transactions			9,19,420 Class A1 Equity Shares
2	Thirunavukkarasu Rajendran	18.03.2013	Executive Director	06514712	6	6	NIL				-
3	Geoffrey T Woolley	28.01.2015	Nominee director	00306749	6	2	LAWRENCEDALE AGRO PROCESSING (INDIA) PRIVATE LIMITED, SAMHITA COMMUNITY DEVELOPMENT SERVICES, DATASIGNS TECHNOLOGIES PRIVATE LIMITED, BHARAT FINANCIAL INCLUSION LIMITED (AMALGAMATED)				-
4	Bhavna Thakur	28.01.2015	Independent Director	07068339	6	6	JUST DIAL LIMITED, DRAMA SCHOOLS FOUNDATION MUMBAI				-

Visage Holdings and Finance Private Limited
Notes to financial statements for the year ended 31 March 2023 (Continued)
(All amounts are in INR lacs except share data and unless otherwise stated)

47 Disclosures as required under 'Scale Based Regulation (SBR)' vide circular RBI/2022-23/26 DOR.ACC.REC. No.20/21.04.018/2022-23 dated 19 April 2022 (Continued)

5	Sunil Satyapal Gulati	01.02.2017	Independent Director	0016990	6	5	ALPHA ALTERNATIVES MSAR LLP, VARTHANA FINANCE PVT LTD, TAPSTART CAPITAL PRIVATE LIMITED, REVGRO CAPITAL PRIVATE LIMITED, SAMUNNATI FINANCIAL INTERMEDIATION & SERVICES PRIVATE LIMITED, SBI MUTUAL FUND TRUSTEE COMPANY PRIVATE LIMITED, ARTHAN FINANCE PRIVATE LIMITED,PNB METLIFE INDIA INSURANCE COMPANY LIMITED, FINCARE SMALL FINANCE BANK LIMITED, BOSON SYSTEMS PRIVATE LIMITED, MERISIS ADVISORS PRIVATE LIMITED, PERFIOS ACCOUNT AGGREGATION SERVICES PRIVATE LIMITED		-
6	Agustin Vitorica	17.10.2017	Nominee director	07928115	6	4	NIL		-
7	Ranjit Jayant Shah	17.10.2017	Nominee director	00088405	6	6	RAMS MERCANTILE PRIVATE LIMITED, SURYODAY SMALL FINANCE BANK LIMITED, THYSSENKRUPP INDUSTRIAL SOLUTIONS (INDIA) PRIVATE LIMITED, GAJA ALTERNATIVE ASSET MANAGEMENT PRIVATE LIMITED		-
8	Ravindra Pisharody	25.07.2018	Independent Director	01875848	6	5	SAVITA OIL TECHNOLOGIES LIMITED, MUTHOOT FINANCE LIMITED, BONFIGLIOLI TRANSMISSIONS PRIVATE LIMITED, Savita Polymers Limited, HAPPY FORGINGS LIMITED, BONFIGLIOLI DRIVE SOLUTIONS PRIVATE LIMITED, SAVITA GREENTEC LIMITED		-
9	Rekha Unnithan	31.10.2022	Nominee director	08354141	6	1	SAMUNNATI FINANCIAL INTERMEDIATION &SERVICES PRIVATE LIMITED, AAVISHKAAR VENTURE MANAGEMENT SERVICES PRIVATE LIMITED, ECOZEN SOLUTIONS PRIVATE LIMITED		-
10	Stephen Lee	31.10.2022	Nominee director	08640160	6	1	AROHAN FINANCIAL SERVICES LIMITED		-

Visage Holdings and Finance Private Limited
Notes to financial statements for the year ended 31 March 2023 (Continued)
(All amounts are in INR lacs except share data and unless otherwise stated)

47 Disclosures as required under 'Scale Based Regulation (SBR)' vide circular RBI/2022-23/26 DOR.ACC.REC. No.20/21.04.018/2022-23 dated 19 April 2022 (Continued)

11	Orsolya Farkas	21.11.2022	Nominee director	9737828	6	1	NIL		-

Details of change in composition of the Board during the current and previous financial year.

Sl. No.	Name of Director	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoternominee/ Independent)	Nature of change (Resignation,appointment)	Effective date
1	Rahil Rangwala	Nominee director	Resignation	27/09/2022
2	Rekha Unnithan	Nominee director	Appointment	31/10/2022
3	Stephen Lee	Nominee director	Appointment	31/10/2022
4	Orsolya Farkas	Nominee director	Appointment	21/11/2022

Where an independent director resigns before expiry of her/ his term, the reasons for resignation – Not Applicable

Details of any relationship amongst the directors *Inter-se* shall – Not Applicable

2) Committees of the Board and their composition as on 31 March 2023

Nomination and Remuneration Committee Meeting

Sl. No.	Name of Director	Member of Committeesince	Capacity (i.e., Executive/ Non-Executive/Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of sharesheld in the NBFC
				Held	Attended	
1	Bhavna Thakur	01.02.2017	Independent director	4	4	-
2	Sunil Satyapal Gulati	01.02.2017	Independent director	4	4	-
3	Rekha Unnithan	17.11.2022	Nominee director	4	1	-

Risk Management Committee Meeting

Sl. No.	Name of Director	Member of Committeesince	Capacity (i.e., Executive/ Non-Executive/Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of sharesheld in the NBFC
				Held	Attended	
1	Hardika shah	25.07.2018	Executive Director	4	4	9,19,420 Class A1 Equity Shares
2	Sunil Satyapal Gulati	25.07.2018	Independent director	4	4	-
3	Agustin Vitorica	17.11.2022	Nominee director	4	-	-
4	Rekha Unnithan	17.11.2022	Nominee director	4	1	-
5	Orsolya Farkas	20.01.2023	Nominee director	4	-	-

Borrowing Committee Meeting

Sl. No.	Name of Director	Member of Committeesince	Capacity (i.e., Executive/ Non-Executive/Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of sharesheld in the NBFC
				Held	Attended	
1	Hardika shah	30.05.2017	Executive Director	38	38	9,19,420 Class A1 Equity Shares
2	Thirunavukkarasu Rajendran	30.05.2017	Executive Director	38	38	-

ALM Committee Meeting

Sl. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of sharesheld in the NBFC
				Held	Attended	
1	Hardika shah	25.07.2018	Executive Director	12	12	9,19,420 Class A1 Equity Shares
2	Thirunavukkarasu Rajendran	25.07.2018	Executive Director	12	12	-
3	Aiswarya Ravi	25.07.2018	Chief Financial Officer	12	12	-

Visage Holdings and Finance Private Limited
Notes to financial statements for the year ended 31 March 2023 (Continued)
(All amounts are in INR lacs except share data and unless otherwise stated)

47 Disclosures as required under 'Scale Based Regulation (SBR)' vide circular RBI/2022-23/26 DOR.ACC.REC. No.20/21.04.018/2022-23 dated 19 April 2022 (Continued)

Audit Committee Meeting

Sl. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of sharesheld in the NBFC
				Held	Attended	
1	Bhavna Thakur	01.02.2017	Independent director	4	4	-
2	Sunil Satyapal Gulati	01.02.2017	Independent director	4	4	-
3	Ravindra Pisharody	17.02.2020	Independent director	4	3	-
4	Stephen Lee	17.11.2022	Nominee Director	4	1	-

IT strategy Committee Meeting

Sl. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of sharesheld in the NBFC
				Held	Attended	
1	Hardika Shah	25.07.2018	Executive Director	3	3	9,19,420 Class A1 Equity Shares
2	Ravindra Pisharody	25.07.2018	Independent director	3	3	-
3	Ranjit shah	25.10.2021	Nominee director	3	2	-
4	Stephen Lee	17.11.2022	Nominee director	3	1	-
5	Orsolya Farkas	20.01.2023	Nominee director	3	-	-

CSR Committee Meeting

Sl. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of sharesheld in the NBFC
				Held	Attended	
1	Hardika shah	31.07.2019	Executive Director	1	1	9,19,420 Class A1 Equity Shares
2	Ravindra Pisharody	31.07.2019	Independent director	1	1	-
3	Geoffrey Woolley	20.01.2023	Nominee director	1	1	-

3) General Body Meetings

Sl. No.	Type of Meeting (Annual/ Extra-Ordinary)	Date and Place	Special resolutions passed
1	Extra Ordinary General Meeting	08.04.2022 #50, 2ND FLOOR, 100 FEET ROAD, HAL 2ND STAGE, INDIRANAGAR, BANGALORE-560042	1. Approval for issue and allotment of Class A1 Equity Shares on preferential basis 2. Approval for Amendment of Visage ESOP Plan 2017
2	Extra Ordinary General Meeting	19.04.2022 #50, 2ND FLOOR, 100 FEET ROAD, HAL 2ND STAGE, INDIRANAGAR, BANGALORE-560042	Approval for adoption of restated articles of association
3	Extra Ordinary General Meeting	25.05.2022 #50, 2ND FLOOR, 100 FEET ROAD, HAL 2ND STAGE, INDIRANAGAR, BANGALORE-560042	Approval for issuance of Commercial Papers on Private Placement Basis
4	Extra Ordinary General Meeting	05.09.2022 #50, 2ND FLOOR, 100 FEET ROAD, HAL 2ND STAGE, INDIRANAGAR, BANGALORE-560042	-
5	Extra Ordinary General Meeting	12.09.2022 #50, 2ND FLOOR, 100 FEET ROAD, HAL 2ND STAGE, INDIRANAGAR, BANGALORE-560042	1. Approval for issue and allotment of Class A1 Equity Shares on preferential basis 2. Approval for Amendment of Visage ESOP Plan 2017

Visage Holdings and Finance Private Limited
Notes to financial statements for the year ended 31 March 2023 (Continued)
(All amounts are in INR lacs except share data and unless otherwise stated)

47 Disclosures as required under 'Scale Based Regulation (SBR)' vide circular RBI/2022-23/26 DOR.ACC.REC. No.20/21.04.018/2022-23 dated 19 April 2022 (Continued)

6	Extra Ordinary General Meeting	28.09.2022 #50, 2ND FLOOR, 100 FEET ROAD, HAL 2ND STAGE, INDIRANAGAR, BANGALORE-560042	Approval for adoption of restated articles of association
7	Extra Ordinary General Meeting	31.10.2022 #50, 2ND FLOOR, 100 FEET ROAD, HAL 2ND STAGE, INDIRANAGAR, BANGALORE-560042	-
8	Extra Ordinary General Meeting	21.11.2022 #50, 2ND FLOOR, 100 FEET ROAD, HAL 2ND STAGE, INDIRANAGAR, BANGALORE-560042	-
9	Extra Ordinary General Meeting	02.02.2023 #50, 2ND FLOOR, 100 FEET ROAD, HAL 2ND STAGE, INDIRANAGAR, BANGALORE-560042	1. To approve issuance of Non-Convertible Debentures on Private Placement basis 2. To approve the change in name of the Company
10	Annual General Meeting	30.09.2022 #50, 2ND FLOOR, 100 FEET ROAD, HAL 2ND STAGE, INDIRANAGAR, BANGALORE-560042	-

4) Details of non-compliance with requirements of Companies Act, 2013 – None

Visage Holdings and Finance Private Limited
Schedule annexed to the balance sheet for the year ended 31 March 2023
(All amounts are in INR lacs except share data and unless otherwise stated)

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 2023	Amount overdue as at 31 March 2023	Amount outstanding as at 31 March 2022	Amount overdue as at 31 March 2022
	Liabilities				
1	Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid				
(a)	Debentures				
	- Secured	73,769.08	-	59,544.27	-
	- Unsecured	31.52	-	400.37	-
(b)	Deferred Credits	-	-	-	-
(c)	Term Loans	90,530.72	-	47,616.94	-
(d)	Associated liabilities in respect of securitisation transactions	-	-	293.85	-
(e)	Inter-Corporate Loans and Borrowing	-	-	-	-
(f)	Subordinated debt	2,213.52	-	4,865.47	-
(g)	Commercial paper	-	-	983.57	-
(h)	Other loans (specify nature)	-	-	-	-

Sl. No.	Particulars	Amount outstanding as at 31 March 2023	Amount outstanding as at 31 March 2022
	Assets		
2	Break-up of Loans and Advances, including Bills Receivables (other than those included in (3) below)		
(a)	Secured	43,332.80	60,373.46
(b)	Unsecured	1,22,807.00	42,130.43

Sl. No.	Particulars	Amount outstanding as at 31 March 2023	Amount outstanding as at 31 March 2022
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 2023	Amount outstanding as at 31 March 2022
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	115.13	108.51
	(iv) Government Securities	-	-
	(v) Others (please specify)	-	-

Visage Holdings and Finance Private Limited
Schedule annexed to the balance sheet for the year ended 31 March 2023 (Continued)
(All amounts are in INR lacs except share data and unless otherwise stated)

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 2023	Amount outstanding as at 31 March 2022
	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)	-	-
	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 2023
1	Related Parties			
	(a) Subsidiaries	-	-	-
	(b) Companies in the same group	-	-	-
	(c) Other related parties	-	-	-
2	Other than Related Parties	42,596.33	1,18,992.03	1,61,588.36
	Total	42,596.33	1,18,992.03	1,61,588.36

* 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 2022
1	Related Parties			
	(a) Subsidiaries	-	-	-
	(b) Companies in the same group	-	-	-
	(c) Other related parties	-	-	-
2	Other than Related Parties	57,997.24	40,827.93	98,825.17
	Total	57,997.24	40,827.93	98,825.17

Visage Holdings and Finance Private Limited
Schedule annexed to the balance sheet for the year ended 31 March 2023 (Continued)
(All amounts are in INR lacs except share data and unless otherwise stated)

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 at 31 March 2023	Book Value (Net of Provisions) as at 31 March 2023	Market Value / Break up or Fair Value or NAV as at 31 March 2022	Book Value (Net of Provisions) as at 31 March 2022
1	Related Parties				
	(a) Subsidiaries	-	-	-	-
	(b) Companies in the same group	-	-	-	-
	(c) Other related parties	-	-	-	-
2	Other than Related Parties	115.13	115.13	108.51	102.39
	Total	115.13	115.13	108.51	102.39

7 Other information

	Particulars	Total as at 31 March 2023	Total as at 31 March 2022
(i)	Gross Non-Performing Assets		
	(a) Related parties	-	-
	(b) Other than Related parties	9,313.08	8,760.15
(ii)	Net Non-Performing Assets		
	(a) Related parties	-	-
	(b) Other than Related parties	7,510.85	5,821.57
(iii)	Assets acquired in satisfaction of debt	-	-

During the year, the company has also offered loan guaranteed under Credit Guarantee Fund Trust for Micro and Small Enterprises ['CGTMSE'] offered by Small Industries Development Bank of India ['SIDBI'] , Emergency Credit Line Guarantee Scheme (ECLGS) offered by National Credit Guarantee Trustee Company Ltd (NCGTC) and Finreach Solutions Private Limited with guarantee from Norther Arc Capital Limited and Michael & Susan Dell Foundation . After reducing the loan portfolio guaranteed by the above schemes, Company's NNPA stands at INR 5,428.47 lacs (31 March 2022: INR 1,670.09 lacs) and NNPA % at 2.2% (31 March 2022 : 1.4%) on asset under management.

Visage Holdings and Finance Private Limited
Schedule annexed to the balance sheet for the year ended 31 March 2023
(All amounts are in INR lacs except share data and unless otherwise stated)

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	25	1,48,082.86	NA	81%

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	1,01,364.07	61%

4 Funding Concentration based on significant instrument/product

Sl. no.	Name of the instrument/product	Amount	% of Total Liabilities
1	Debentures		
	- Secured	73,769.08	41%
	- Unsecured	31.52	0%
2	Term Loans	90,530.72	50%
3	Associated liabilities in respect of securitisation transactions	-	0%
4	Commercial paper	-	0%
5	Subordinated debt	2,213.52	1%

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 one year)	Nil	Nil	Nil	Nil
3	Other short-term liabilities	4,825.12	3%	3%	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, external commercial borrowings and commercial paper. 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.

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

Visage Holdings and Finance Private Limited

Notes to financial statements for the year ended 31 March 2023 (Continued)

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

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 2023

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	1,53,394.88	2,693.58	1,50,701.30	579.31	2,114.27
	Stage 2	3,331.00	55.63	3,275.37	13.24	42.39
Subtotal for standard		1,56,725.88	2,749.21	1,53,976.67	592.55	2,156.66
Non-Performing Assets (NPA)						
Substandard (A)	Stage 3	9,313.08	1,802.23	7,510.86	442.07	1,360.16
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful (B)		-	-	-	-	-
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA (A+B)		9,313.08	1,802.23	7,510.86	442.07	1,360.16
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	1,53,394.88	2,693.58	1,50,701.30	579.31	2,114.27
	Stage 2	3,331.00	55.63	3,275.37	13.24	42.39
	Stage 3	9,313.08	1,802.23	7,510.86	442.07	1,360.16
	Total	1,66,038.96	4,551.44	1,61,487.53	1,034.62	3,516.82

II. 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 2022

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	89,575.37	707.30	88,868.07	302.55	404.75
	Stage 2	4,116.35	32.84	4,083.51	26.13	6.71
Subtotal for standard		93,691.72	740.14	92,951.58	328.68	411.46
Non-Performing Assets (NPA)						
Substandard (A)	Stage 3	7,515.05	1,965.58	5,549.47	281.28	1,684.30
Doubtful - up to 1 year	Stage 3	1,245.10	973.00	272.10	406.19	566.81
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful (B)		1,245.10	973.00	272.10	406.19	566.81
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA (A+B)		8,760.15	2,938.58	5,821.57	687.47	2,251.11
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	89,575.37	707.30	88,868.07	302.55	404.75
	Stage 2	4,116.35	32.84	4,083.51	26.13	6.71
	Stage 3	8,760.15	2,938.58	5,821.57	687.47	2,251.11
	Total	1,02,451.87	3,678.72	98,773.15	1,016.15	2,662.57

Since the total impairment allowances under Ind AS 109 is higher than the total provisioning required under IRACP (including standard asset provisioning) as at 31 March 2023 , no amount (31 March 2022 : Nil) 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.

Visage Holdings and Finance Private Limited
Notes to financial statements for the year ended 31 March 2023 (Continued)
(All amounts are in INR lacs except share data and unless otherwise stated)

51 Disclosure of restructured accounts

Sl.No	Type of Restructuring		Under SME Debt Restructuring Mechanism									
	Financial Year		Year ended 31 March 2023					Year ended 31 March 2022				
	Asset Classification		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
1	Restructured Accounts as on 01 April	No. of borrowers	-	253.00	3.00	-	256.00	-	27.00	1.00	-	28.00
		Amount outstanding	-	897.71	21.96	-	919.67	-	78.44	1.84	-	80.28
		Provision thereon	-	114.85	22.06	-	137.01	-	18.01	0.77	-	18.78
2	Fresh restructuring during the year	No. of borrowers	-	206.00	-		206.00	-	229.00	3.00		232.00
		Amount outstanding	-	1,243.13	-	-	1,243.13	-	823.69	21.49	-	845.18
		Provision thereon	-	269.81	-	-	269.81	-	96.84	21.42	-	118.26
3	Upgradations to restructured standard category during the year	No. of borrowers	-	2.00	(2.00)	-	-	-	1.00	(1.00)	-	-
		Amount outstanding	-	10.34	(10.34)	-	-	-	1.37	(1.37)	-	-
		Provision thereon	-	10.31	(10.31)	-	-	-	0.13	(0.13)	-	-
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the year and hence need not be shown as restructured standard advances at the beginning of the next year	No. of borrowers	-	(45.00)	-	-	(45.00)	-	(4.00)	-	-	(4.00)
		Amount outstanding	-	(230.92)	-	-	(230.92)	-	(6.79)	-	-	(6.79)
		Provision thereon	-	(36.76)	-	-	(36.76)	-	(0.03)	-	-	(0.03)
5	Downgradations of restructured accounts during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-
6	Write-offs of restructured accounts during the year	No. of borrowers	-	(49.00)	(1.00)	-	(50.00)	-	-	-	-	-
		Amount outstanding	-	(166.68)	(11.62)	-	(178.30)	-	-	-	-	-
		Provision thereon	-	(29.97)	(11.75)	-	(41.72)	-	-	-	-	-
7	Restructured Accounts as on 31 March	No. of borrowers	-	367.00	-	-	367.00	-	253.00	3.00	-	256.00
		Amount outstanding	-	1,753.58	-	-	1,753.58	-	897.71	21.96	-	919.67
		Provision thereon	-	328.34	-	-	328.34	-	114.95	22.06	-	137.01

The above provision is calculated as per expected credit loss method as required under Ind AS 109.

Visage Holdings and Finance Private Limited
Notes to financial statements for the year ended 31 March 2023 (Continued)
(All amounts are in INR lacs except share data and unless otherwise stated)

52 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-current assets of the Company are located in India. Accordingly, there are no separate 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 2023 and 31 March 2022.

53 Revenue from contracts with customers

(a) Below table provides disaggregation of the Company's revenue from contracts with customers:

	As at 31 March 2023	As at 31 March 2022
Type of service		
Fees and commission income	604.21	734.68
Other income	23.66	87.03
Total	**627.87**	**821.71**
Geographical markets		
India	627.87	821.71
Outside India	-	-
Total	**627.87**	**821.71**
Timing of recognition of revenue		
Performance obligation satisfied at a point in time	627.87	821.71
Performance obligation satisfied over period of time	-	-
Total	**627.87**	**821.71**

54 Additional notes

a) Utilisation of borrowed funds and share premium

a) During the year, the company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the intermediary shall:
(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries), or,
(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
b) During the year, the Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries), or,
(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

b) The Parliament has approved the Code on Social Security, 2020 which may impact the contribution by the Company towards Provident Fund and Gratuity. The effective date from which the Code and its provisions would be applicable is yet to be notified and the rules which would provide the details based on which financial impact can be determined are yet to be notified after which the financial impact can be ascertained. The Company will complete its evaluation and will give appropriate impact in the financial statements following the Code becoming effective and the related rules to determine the financial impact being notified.

c) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

d) The quarterly information statement filed by the Company with banks or financial institutions are in agreement with the books of accounts.

e) The Company has not been declared as Wilful defaulter by any Banks, Financial Institution or Other lenders

Visage Holdings and Finance Private Limited
Notes to financial statements for the year ended 31 March 2023 (Continued)
(All amounts are in INR lacs except share data and unless otherwise stated)

54 Additional notes (Continued)

f) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

g) The provision related to number of layers as prescribed under section 2(87) of the Companies Act read with Companies (Restriction on number of Layers) Rules, 2017 is not applicable to Company

h) The provision related to number of layers as prescribed under section 2(87) of the Companies Act read with Companies (Restriction on number of Layers) Rules, 2017 is not applicable to Company

i) The provision related to number of layers as prescribed under section 2(87) of the Companies Act read with Companies (Restriction on number of Layers) Rules, 2017 is not applicable to Company

j) The Company does not have any transactions with companies struck off.

k) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

l) The Company has not traded or invested in Crypto currency or Virtual Currency during the current financial year and any of the previous financial years.

m) The Company does not have any immovable properties where title deeds are not held in the name of the company.

55 Previous year's figure including those in brackets have been regrouped/rearranged wherever necessary.

As per our report of even date attached
For Nangia & Co. LLP
Chartered Accountants
ICAI Firm registration No.: 002391C/N500069

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

Jaspreet Singh Bedi
Partner
Membership No.: 601788
Place : Mumbai
Date : 28 April 2023

Hardika Shah
Director and Chief Executive officer
DIN : 03562871
Place : Bengaluru
Date : 28 April 2023

R.Thirunavukkarasu
Director
DIN: 06514712
Place : Bengaluru
Date : 28 April 2023

Aiswarya Ravi
Chief Financial Officer
Place : Bengaluru
Date : 28 April 2023

Kanti Hegde
Company Secretary
Place : Bengaluru
Date : 28 April 2023

CUSTOMER SPOTLIGHT

Chandrakala

Navya Ladies Emporium, Telangana

"My daily transactions have grown sevenfold since I got the loan from Kinara. With remarkable efficiency, funds were disbursed within 48 hours, kickstarting my growth plans. Before the infusion, my daily sales averaged around INR 10,000 and now I am seeing INR 60,000-70,000."

Fueled by a desire and succeed as a woman entrepreneur, Chandrakala needed substantial investment to expand her business. She discovered Kinara Capital via a digital ad she saw on Facebook. The capital boost allowed her to meet the growing market demand by keeping ample stock."

"Kinara's loan process was straightforward and transparent. Nobody asked for commissions or unscrupulous fees in the process. Now my business is doing very well. Kinara made it possible for me to triple my turnover!"

Srinivas is a hands-on entrepreneur with his tool design and manufacturing business. Seeking to optimize efficiency, he took a business loan to buy a machine. Now, he has more control and even runs product trials that gives him a competitive edge to secure more orders.

Srinivas Rao

Thanusree Tools, Telangana

WE THANK OUR INVESTORS & STATUTORY PARTNERS

British International Investment

nuveen
A TIAA Company

Triple Jump

GAWA CAPITAL

PATAMAR | CAPITAL

GAJA CAPITAL

Michael & Susan Dell FOUNDATION

SORENSON IMPACT FOUNDATION

1to4 TALENT-BASED ECONOMY

KCHPL

MESOLOAN

BANKS	• State Bank of India • IDFC FIRST Bank Limited • IndusInd Bank Limited • Kotak Mahindra Bank • RBL Bank Ltd • SBM Bank (India) Ltd • AU Small Finance Bank Limited • DCB Bank • ESAF Small Finance Bank • Ujjivan Small Finance Bank Limited • Yes Bank Ltd

FOREIGN PORTFOLIO IMPACT INVESTORS	• BlueOrchard Finance Ltd. • Calvert Impact Capital • EMF Microfinance Fund, AGmvK • IIV Mikrofinanzfonds • ResponsAbility India • Symbiotics • Impact Investment Exchange Pte. Ltd. (IIX)
STATUTORY PARTNERS	• STATUTORY AUDITORS: M/s Nangia & Co., LLP, Chartered Accountants • DEBENTURE TRUSTEE: Catalyst Trusteeship Limited • SECRETARIAL AUDITORS: RSVH & Associates, LLP • REGISTRAR & TRANSFER AGENT: KFin Technologies Ltd

NON-BANKING FINANCIAL COMPANIES (NBFCs)	• Bajaj Finance Limited • Caspian Impact Investments Pvt. Ltd. • Cholamandalam Investment & Finance Company Ltd. • Electronica Finance Limited • Hinduja Leyland Finance Limited • InCred Financial Services Limited • Karvy Capital Limited • Kisetsu Saison Finance (India) Pvt. Ltd. • Maanaveeya Development & Finance Private Limited • Manappuram Finance Limited • MAS Financial Services Ltd. • Moneywise Financial Services Pvt. Ltd. • Nabkisan Finance Limited • Nabsamruddhi Finance Limited • Northern Arc Capital Limited • OXYZO Financial Services Pvt. Ltd. • Poonawalla Fincorp Limited • Profectus Capital Private Limited • TATA Capital Financial Services Ltd. • Vivriti Capital Private Limited

ALTERNATIVE INVESTMENT FUNDS (AIFS)	• Vivriti Alpha Debt Fund Enhanced • Vivriti Emerging Corporate Bond Fund • Vivriti India Impact Bond Fund • Vivriti Samarth Bond Fund

ACCOLADES

LIST AMONG TOP 500 HIGH-GROWTH COMPANIES IN ASIA-PACIFIC BY FINANCIAL TIMES (2020, 2021, 2022, 2023)

RECOGNISED BY THE ECONOMIC TIMES AS INDIA'S GROWTH CHAMPION (2020, 2021, 2022, 2023)

BHARAT FINTECH SUMMIT NAMED HARDIKA SHAH FINTECH LEADER OF THE YEAR

GOVERNMENT OF INDIA & NITI-AAYOG HONORED HARDIKA SHAH AMONG 75 WOMEN ACROSS THE NATION WITH 'WOMEN TRANSFORMING INDIA' AWARD

PRESS RECOGNITION

KINARA CAPITAL RECOGNIZED AS AN INDUSTRY LEADER AND FEATURED IN A HOST OF INTERNATIONAL AND INDIA-FOCUSED PRESS COVERAGE

KINARA CAPITAL

Annual Report FY23

www.kinaracapital.com

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