Satin Finserv Limited

ANNUAL REPORT 2022-2023

www.satinfinserv.com

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Satin Finserv Limited

CORPORATE INFORMATION

as on March 31, 2023

BOARD OF DIRECTORS

Mr. Harvinder Pal Singh - Non-Executive Director
Mr. Sundeep Kumar Mehta- Independent Director
Mr. Anil Kumar Kalra - Independent Director
Mr. Sumit Mukherjee – Whole Time Director & CEO
Ms. Jyoti Ahluwalia- Independent Director

CHIEF FINANCIAL OFFICER

Mr. Arjun Bansal

COMPANY SECRETARY

Mr. Puneet Jolly

DETAILS OF COMMITTEES OF THE BOARD

Audit Committee

Mr. Sundeep Kumar Mehta (Chairperson)
Mr. Anil Kumar Kalra
Mr. Harvinder Pal Singh

Nomination & Remuneration Committee

Mr. Sundeep Kumar Mehta (Chairperson)
Mr. Harvinder Pal Singh
Mr. Anil Kumar Kalra

IT Strategy Committee

Mr. Sundeep kumar Mehta (Chairperson)
Mr. Sumit Mukherjee
Mr. Sunil Yadav
Mr. Arjun Bansal

STATUTORY AUDITORS

M/s Rajeev Bhatia & Associates, Chartered Accountants, 201, 202, 2nd Floor, A-20, Indraprastha Bhawan, Dr. Mukherjee Nagar, Commercial Complex, Delhi-110009
Email id: info@rajeevbhatiaassociates.com

SECRETARIAL AUDITORS

M/s S. Behera & Co., Practicing Company Secretaries S-1/3 & 4, 1st Floor, Near Uphaar Cinema, Green Park Ext., New Delhi - 110 016
Email: shesdev@gmail.com

REGISTER AND TRANSFER AGENT

Link Intime India Private Limited (for Equity)
C 101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West) Mumbai, Maharashtra -40008. Tel: 022 - 4918 6270 |
Website: www.linkintime.co.in

Karvy Fintech Private Limited (For Debentures)
KFintech, Tower – B, Plot No 31 & 32, Selenuim Building,Financial District, Nanakramguda, Gachibowli, Hyderabad – 500 032.
Website: www.kfintech.com

DEBENTURE TRUSTEE

Catalyst Trusteeship Limited, GDA House, First Floor, Plot No. 85 S. No. 94 & 95, Bhusari Colony (Right), Kothrud Pune MH 411038 | Tel. No: +11 43029101.
Fax: +91 22 4922 0505
Website: www.catalysttrustee.co

Asset Liability Management Committee
Mr. Harvinder Pal Singh (Non-Independent & non-executive Director)
Mr. Sumit Mukherjee (Whole-time Director & CEO)
Mr. Arjun bhansal (Chief Financial Officer)

Risk Management Committee
Mr. Sundeeep Kumar Mehta(Chairperson)
Mr. Anil Kumar Kalra
Mr. Harvinder Pal Singh
Mr. Sumit Mukherjee
Mr. Surojit Chatterjee

BANKERS/ FINANCIAL INSTITUTIONS

Bankers
HDFC Bank Limited
State Bank of India

Financial Institutions (Inclusive)
MAS Financial Services Limited
Vivriti Capital Private Limited
Netafim Agricultural Financing Agency Private Limited
Grow Money Capital Private limited
Caspian Impact Investments Private limited
Nabkisan Finance Limited

DEPOSITORIES FOR DEMAT

National Securities Depository Ltd. (NSDL)
4th Floor, A Wing, Trade World, Kamala Mills Compound, S.B. Marg, Lower Parel, Mumbai - 400 013. Ph. No. : +91 022 24994200 |
Email id: info@nsdl.co.in |
Website : www.nsdl.co.in

CREDIT RATING

Nature

Long Term Bank Facilities - CARE BBB+; Stable (Triple B Plus; Outlook: Stable)

Non-convertible Debentures - CARE BBB+; Stable (Triple B Plus; Outlook: Stable)

CONTACT DETAILS

Satin Finserv Limited

Registered Office & Corporate Office:

Plot No. 492, 4th Floor, B-Wing, Udyog Vihar Phase-III, Gurugram, Haryana-122016

CIN: U65999HR2018PLC099128

Email: info@satinfinserv.com

Tel. No.: 0124-47154000

Website: www.satinfinserv.com

MISSION AND VISSION

MISSION

To cater to the needs of the rapidly rising MSME industry, fuelling both industry growth and employment generation.

VISSION

To facilitate financial inclusiveness across the country and contribute to the nation's overall economic development.

AIM

Aiming to be one of the most trusted and admired NBFC to aid financial services to various to Entrepreneurs, MSMEs and Individual Businesses, MFI companies

CUSTOMER'S TESTIMONY

Paras Jain aged 30 years is a resident of Mumbai, in Maharashtra. He lives with his wife and two children. He had a garment shop in Mumbai which was rented. The business was running good but Mr. Paras always dreamt of having his own space.

With his existing finances he was able to provide for his family however he was very keen to have his own shop and expand his business. He approached SFL for acquiring a shop in a different location. He availed a loan of 15 lacs to purchase this property and stock. The shop was set up and he received a very positive response for his business there.

He is finally happy that he could accomplish his dream of owning his own shop. He is grateful that SFL stepped in when he needed the finances.

Sohail Iqbal Tai aged 45 years is a resident of Vasai, in Mumbai. He lives with his spouse, parents and two children. Their ancestral house was built by his father but his father had availed the loan from a private lender and hence was paying heavy interest on this loan.

Although they had a good set up of business they we unable to have sufficient savings owing to the big debt they had from this private lender. Mr.Sohail approached SFL to pay off his debts to the private lender and at the same time expand his business of footwear and wall clocks. When he approached us we explained him the benefits of formal lending system. We offered him a loan of 11 lakh from which he was able to pay off the heavy property debt and also managed to purchase some fresh stock for his business.

The financial aid helped him to free his ancestral property from which he is now also earing rental income. Also the business saw a boost owing to the fresh stocking in their store. Mr.Sohail is extremely happy to have connected with SFL and now has a steady income and savings to support his family.

Surinder Singh Applicant Surinder Singh is living in Ambala. He is in the business of retail garments .He approached us to expand his business of garments trading which is setup in a small village. He wanted to increase the stock in his shop to offer wide variety to his customer. For this he required a loan. He was offered a loan of 7 lac for 84 months.

Mr. Surinder used the loan amount for purchasing stock and invest in his business. Now he has good stock in his shop. He always wanted to expand the business and ensure that he could exceed his family expectations and save for his children's future.

With this loan he has been able to set his business in a better manner and is grateful to SFL for extending the finance at the time he needed it.

CEO SPEAK

MSME customers in Semi Urban and rural India are underserved by the formal banking sector. These customers are unable to provide any kind of financial documents which will enable an assessment of their cash flows and hence support a positive decision to lend to such customers. At SFL we understand this problem and are continuously working to understand the need of the customer and meet their working capital needs to sustain and grow their businesses. The pandemic has deeply impacted the rural house hold income , SFL has stood by customers and worked with them to structure their cash flows to their current levels of income.

Mr. Sumit Mukherjee

ABOUT THE COMPANY

"SFL is a Non-Deposit Non- Banking Finance Company holding certificate of Registration from the Reserve Bank of India ("RBI") dated January 09, 2019. SFL is wholly owned subsidiary of Satin Creditcare Network Limited. The Company is engaged in the business to provide finance whether short term or long term to micro, small and medium scale enterprises and business loans to individuals and corporates and acting as business correspondents on behalf of various banks and financial institutions".

SOME OF BASIS DETAILS OF THE COMPANY, AS ON MARCH 31, 2023, ARE AS FOLLOWS:

Issued Subscribed and Paid-upCapital Rs. 140.51 Cr

Completed 4 full years of profitable operations

Gross Loan Portfolio of Rs. 225.57 Cr as of March 2023

Geographically Diversified Micro Business Loan Portfolio

Number of Clients – 2,69,023

Employees – 1,612

Number of States – 10

Number of Branches - 178

The Hon'ble NCLT, vide its order dated January 31, 2023 approved the said Scheme of Arrangement for Amalgamation of Taraashna Financial Services Limited with Satin Finserv Limited and Subsequently, after requisite filing with concerned ROC, the said Scheme got effective from March 01, 2023. The Appointed Date of Scheme is April 01, 2021. Due to said merger, there are impact on overall position of the Company, including financial numbers, branches, loans, borrowing details etc."

Satin Finserv has been specifically established to fill a much needed gap in the market, targeting small business owners in manufacturing, trading and services – all customer segments that are usually denied mainstream access to organized finance.

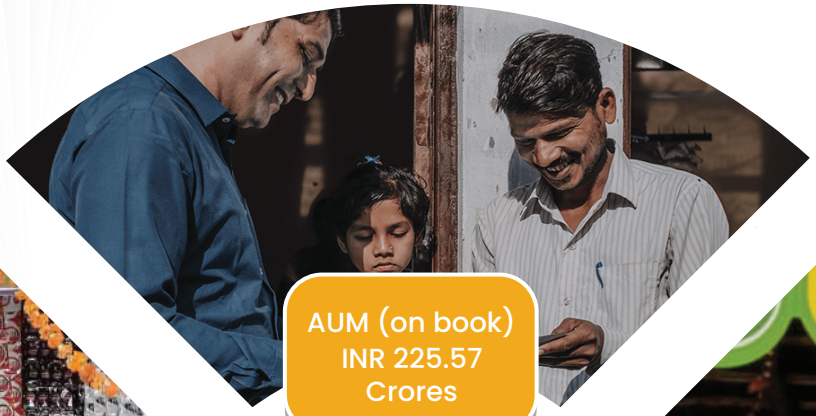
The Company built on a foundation of happy employees is destined for success. At Satin Finserv, we take pride in our people and consider them our most valuable assets – each of them plays an indispensable role in the company's journey to success. In a workplace that imbibes professionalism, enthusiasm and ownership, our employees are encouraged to put their individual skills, knowledge and experience to use in a collaborative manner to drive growth and productivity. Working as one, these diligent men and women pave the way for a brighter tomorrow – for the company, their own teams and themselves. Above all, all our employees are motivat ed to deliver the very best to our customers, to the very best of their abilities. It is this culture of team-work, accountability and ambition that has served to help Satin Finserv Limited grow from one milestone to another and achieve resounding success along the way.

The Company plans to continue its growth journey by opening more branches and further investing in technology to optimize operating costs and improve collection efficiency

Satin Creditcare launched its operations as a provider of individual and small business loans and savings services to urban lenders in 1990, going on to be registered as an NBFC with the RBI in 1998 and converting into an NBFC-MFI in November 2013. The company completed its IPO in the fiscal year of 1997 and was duly listed on the Delhi Stock Exchange (DSE), Ludhiana Stock Exchange (LSE) and the Jaipur Stock Exchange (JSE). Following the subsequent derecognition of these exchanges by SEBI, Satin Creditcare listed its Equity Shares on the Calcutta Stock Exchange (CSE) on May 19, 2015, on the NSE on August 26 and the BSE on October 20 in the same year, adhering to the guidelines and policies issued by SEBI regarding the exit option to regional stock exchanges (issued December 29, 2008) and the exit policy for derecogized/non-operational stock exchanges (issued May 30, 2012).

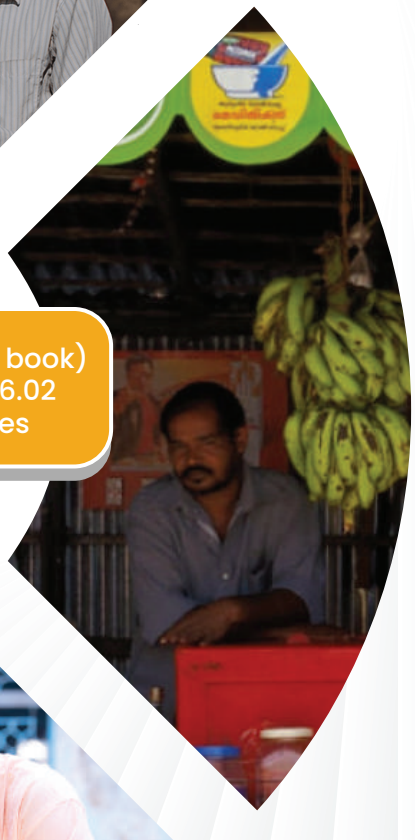
FINANCIAL NUMBERS

as on March 31, 2023



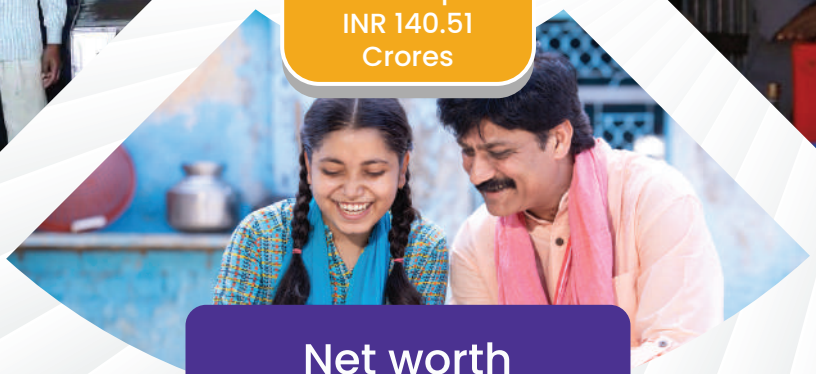
AUM (on book)
INR 225.57
Crores

PBT
INR
8.21 Crores



AUM (on book)
INR 456.02
Crores

Authorised
Share Capital
INR 140.51
Crores



Net worth
INR 137.67 Crores

INR 127.42 Crores

Disbursement (In SME – During FY 2022-23)

4.16%

Return on Equity ROE

INR 253.69 Crores

Disbursement (In JLG/BC – During FY 2022-23)

PROGRESSIVE JOURNEY

2023
Merger of Taraashna with SFL
4th Year PAT – 606 Lakhs.
AUM – 682 Cr.

MARCH 2022
3rd full year of Operations
PAT of Rs 181 Lakhs

MARCH 2021
2nd full year of Operations
PAT of Rs 477.82 Lakhs

JULY 2021
Recommenced Business
Post 2nd lockdown

JULY 2020
Reduction of Ticket Size to
3.5 lakhs

MARCH 2020
1st full year of Operations
PAT of Rs 64 Lakhs

DECEMBER 2019
AUM of Rs.100 Crs

MARCH 2019
Commenced Business

JANUARY 2019
NBFC Licence Received

AUGUST 2018
Incorporated

BOARD OF DIRECTORS

Mr. H P Singh
Director

He is a law graduate and a fellow of The Institute of Chartered Accountants of India since 1984. He has over three decades of microfinance experience and pioneered the concept of daily collection of repayments of loans. Besides being an expert in lending (especially microfinance) he has experience in the field of auditing, accounts, project financing, advisory services and company law matters. His financial engineering experience of almost three decades has helped the Company in operationalstrategy and efficiency.

Mr. Sundeep Kumar Mehta
Independent Director

He is a Science graduate from University of Rajasthan and also holds a Post graduate diploma in Business Administration from Annamalai University. Apart from these, he holds various other certifi cates, degrees and diplomas in the field of Cyber Law, History, Labour Laws, Auto Engg and Human resources. He has over 33 years of experi ence. Prior to joining SFL, He has served RKJ group, Escorts Ltd, Panacea Biotech ltd, Bata India Ltd, and also Eicher Good Earth Ltd at various high capacitiesrespectively

Mr. Anil Kumar Kalra
Independent Director

He has 35 years of experience in Banking and served in the area of Banking, Financial Services, investment Banking and Infrastructure Financing. He served as Senior Vice President in a leading NBFC engaged in providing financial services including Asset financing, Debt Syndication, Corporate Advisory, Merchant Banking etc. to corporates besides support to sister companies in the Group focussed on Infrastructure Projects financing. He has done MBA in finance and B.com (H) from Shree Ram College of Commerce, Delhi University

Ms. Jyoti Ahluwalia
Woman Independent Director

She is a Independent Director of the Company. She is Ph.D. and Master's in Commerce, CFA from India, PGDBA – Finance from ICFAI Business School. She has taught Finance, Analytics, Strategy, Financial Management, Mergers and Acquisitions, Financial Business Analytics and Data Analytics and Machine Learning. She has held important roles in corporates such as Actuarial Analysts at Milliman India (Actuaries and Consultants), Syndicated Research

Mr .Sumit Mukherjee
WTD & CEO

He has over 29 years of experience in the NBFC space and has managed various roles in Sales, Credit and Collections, has product experience on Sales, Credit and Collections for SME lending, Commercial vehicles, Agri lending, Construction/ Infrastructure lending, Printing and Medical equipment, Car finance. His major stints have been with Ashok Leyland Finance, Citicorp and Magma Fincorp Ltd. In Magma he has managed the ABF business and led a team of 5000 and AUM of 13000 crs across 250 branches.

THE MANAGEMENT TEAM

Mr. Surojit Chatterjee
Head Credit & Risk

He has a total 23 years of work experience of which 13 years in NBFC space handling product line of Commercial Vehicles, Cars, Construction Equipments and SME. He has worked with organizations like Mahindra Farm Equipments, Ceat Ltd., JK Industries Ltd., Birla Tyres, Magma Fincorp Ltd. His latest assignment was with IKF Finance. He has completed his Engineering from India Society of Engineers.

Mr. Manish Dwivedi
Head HR & Admin

He has got 18 years of experience in Human Resource Management Function in diverse industries such as Automobile & Manufacturing, Real Estate, FMCD, FMCG & NBFC. He has worked organizations like Honda, DLF, POSCO, Nikon & Kissandhan Agri Finance. His last assignment was with Almaha Foods International Pvt. Ltd. as Head – HR & Administration. He has done his MBA from Symbiosis, Pune and Graduation from Deshbandhu Gupta College, Delhi University.

Mr. Irshad Hussain
Head Collection

He has a total 18 years of work experience in the NBFC and manufacturing sector. He has worked with organizations like L&T Finance, Kotak Mahindra Bank, Magma Fincorp limited, ACE Ltd & Barota Finance LTD. His last assignment was with Barota Finance Limited – Business Head. He has completed his Engineering from IME.

Mr. Puneet Jolly
CS

He has overall experience of more than 7 years in NBFC sector, RBI/business policies, Legal, Equity and debt listed compliances. He has worked with Slicepay (NBFC & Fintech company) as Compliance-Head. Also, worked with Home Credit India in Compliance team and with Era Group as compliance officer. He is qualified CS in first attempt, graduated from Delhi University.

Mr. Arjun Bansal
CFO

He has more than 10 years of experience in Financial Services viz accounting, finance, budgeting and taxation. Prior to Joining Satin, he has worked with IIFL Group. He is a Qualified Chartered Accountant & Commerce graduate from Delhi University.

Mr. Rajkumar Jayaswal
Business Head - JLG

He have total experience of 21years out of which 18 years into Banking & Finance Industry. Currently managing JLG vertical for the company. Prior to this he was associated with ICICI Bank for 11 years where he has handled Retail Assets, Agri Assets, Gold Loan and Liability products and Branches for the Bank. He was also associated with City finance and Godrej & Boyce.

PRODUCT OFFERINGS

Loan Product	Purpose	Ticket Size	Tenor	Collateral	Eligibility Criteria
Small Ticket Business Loan	• Income Generation activities • Working Capital - Long term loans (3 - 5 years) Short Term Loans(1 to <3 year)	1.5L to 3.5L	60 Months	Property	• Minimum age -22 • Businessstability of minimum 3 years
MFI - NBFC (Currently on hold)	Term Loans	Up to 5 Cr	18 Months	Book debts	• Minimum AUM of 75 crores. Minimum net worth of 10 crores Businessstability of minimum 3 years
Large Ticket	Term Loans	Up to 5 Cr	60 Months	Unsecured	• Business stability of minimum 3 years Company needs to be profitable as per last audited financials
JLG Business	Income Generation activities	Up to 0.65 L	24 Months	Unsecured	• Minimum age - 18 MaximumHousehold Income to be < 3 L. • Annual Household Obligation to be 50% of Annual Household Income.

SFL also has partnerships with various entities in which small ticket, unsecured, FLDG backed loans are also given "SFL is also acting as business correspondents on behalf of various banks and financial institutions."

TARGET CUSTOMER SEGMENT

Small Ticket Business Loans

Agri Business
- Dairy
- Agri Equipment Dealers/ Manufacturers
- Agri Chemicals/ Fertilizers Dealers/ Retailers
- Cattle Feed Manufacturers / Retailers/ Distributers
- Animal Husbandry & Poultry

Retail / Trading
- Kirana /General Store
- Chemist
- Wood and Plastic traders
- Cement and Steel Traders
- Consumer Durables traders
- Cloth Merchents
- Foot wear Retailers
- Hardware , Electrical Sanitary wear Trader / Retailer

Service
- Restaurants
- Auto Service Centre
- Diagnostic Centres
- Tailoring/Job work
- Plumbingwork/ Electrician
- Bakery / Sweet Shops
- Tent House Businesses

Manufacturing
- Textile and Garments Manufacturer & Job workers
- Footwear Manufacturer
- Bag Manufacturer
- Wood & Plastic Furniture Manufacturer
- Bottled Water Manufacturer & Suppliers

GEOGRAPHIC PRESENCE

as on March 31, 2023

Punjab
- Ludhiana
- Patiala

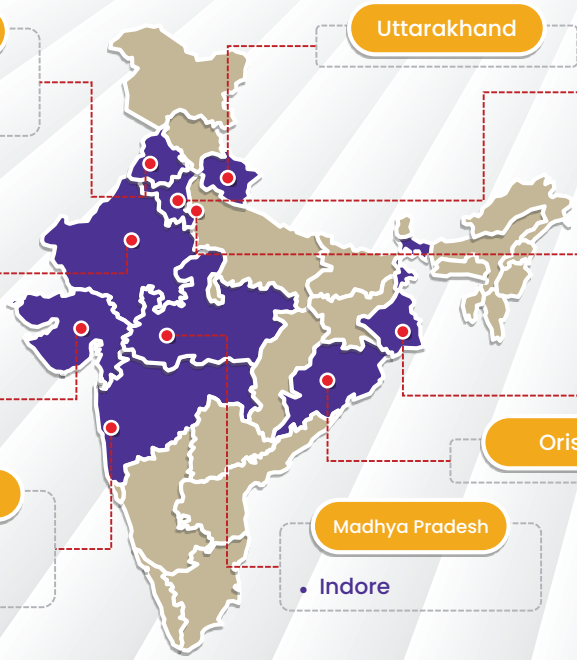
Uttarakhand

Haryana
- Ambala
- Panipat
- Rewari

Rajasthan

Jaipur

Delhi
- NCR
- Gurgaon



Gujarat

Ahmedabad

West Bengal
- Kolkata

Orissa

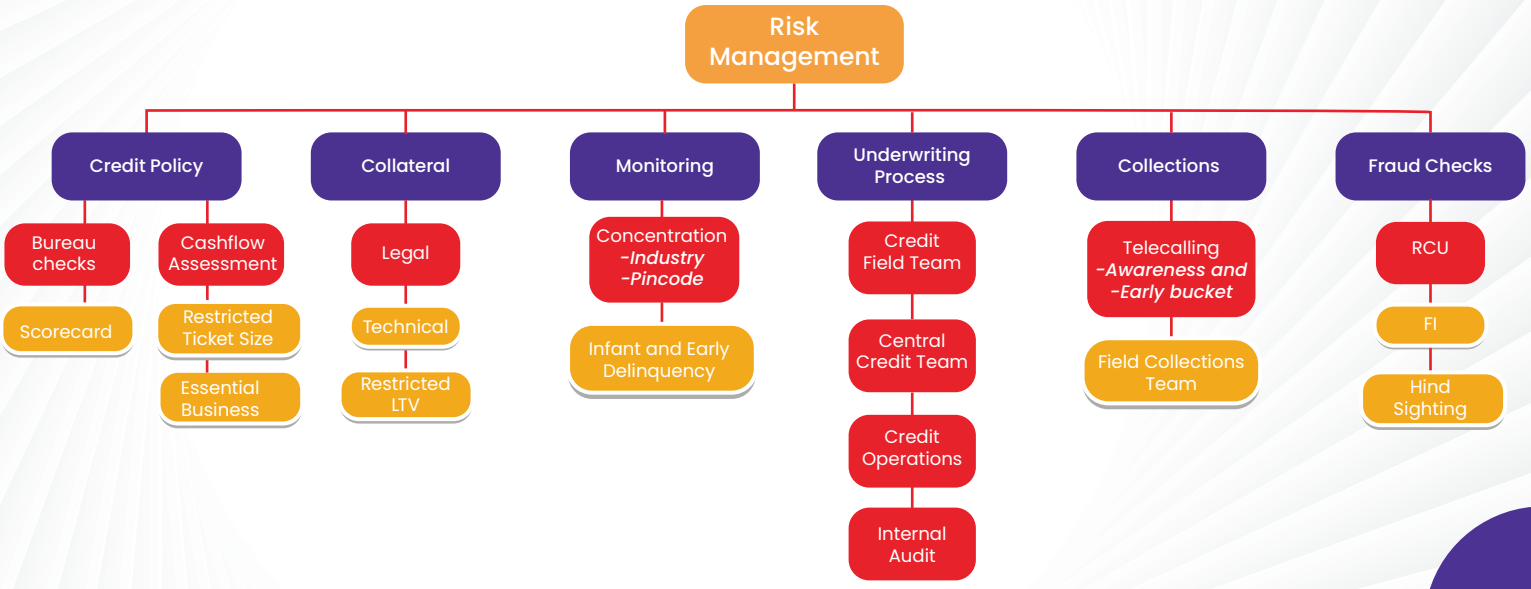
Maharashtra
- Thane
- Pune

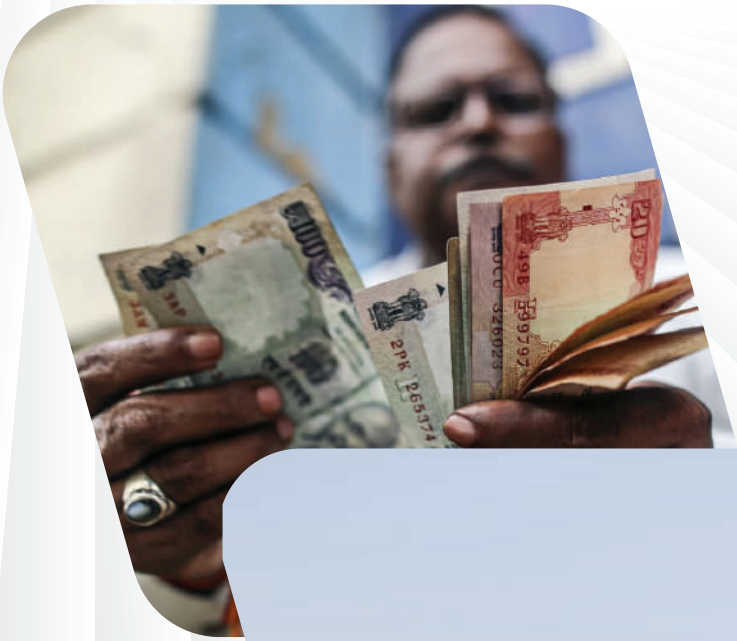
Madhya Pradesh
- Indore

Total Number of Clients- 2,69,023
Number of Employees - 1,612
Number of States - 10
Number of Branches - 178

Satin Finserv Limited

RISK MANAGEMENT





NOTICE OF 5TH ANNUAL GENERAL MEETING
OF SATIN FINSERV LIMITED

NOTICE is hereby given that the **5th Annual General Meeting** of the shareholders of **Satin Finserv Limited** will be held on Thursday, July 27, 2023 at 11:00 A.M. at its registered office at 4th Floor, B Wing, Plot No. 492, Udyog Vihar, Phase III, Gurugram – 122016, Haryana, to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Financial Statements of the Company including the Balance Sheet as at March 31, 2023, the Statement of Profit & Loss for the financial year ended on that date and the Reports of Board of Directors and Auditors' thereon and **if 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 including the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss, the cash flow statement for the financial year ended on March 31, 2023, notes to financial statements, reports of the Board and Auditors' thereon be and are hereby received, considered and adopted."

2. To appoint a Director in place of Mr. Harvinder Pal Singh (DIN: 00333754), Director who retires by rotation and being eligible, offers himself for re-appointment and **if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr. Harvinder Pal Singh (DIN: 00333754) who retires by rotation and being eligible, offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

For and on behalf of the Board of Directors of
Satin Finserv Limited

Date:
Place:

Sd/-
Puneet Jolly
Company Secretary

Satin Finserv Limited

Notes:

1. A member who is entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself/herself and such proxy need not be a member of the Company. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. However, a member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other shareholder
2. Members desirous of obtaining any information/clarification(s) concerning the accounts and operations of the Company or intending to raise any query are requested to forward the same at least 10 days before the date of the meeting to Company Secretary at the Registered Office of the Company, so that the same may be attended to appropriately.
3. Members/Proxies are requested to bring their duly filled attendance slip sent herewith at the Meeting.
4. A blank proxy form is enclosed hereto and if intended to be used, it should be returned duly completed at the registered office of the Company not less than 48 hours before the scheduled time of the Commencement of the Meeting.
5. Members can inspect the register of director and key managerial personnel and their shareholding and register of contracts or arrangements as maintained under section 170 and section 189 of the Companies Act, 2013 during the course of the meeting at the venue.
6. Statutory Registers will be available for inspection by the Members at the AGM.
7. Members holding equity capital shall have one vote per share.
8. 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.
9. All documents referred to in accompanying notice and the statement shall be open for inspection at the Registered Office of the Company during the normal business hours from 09:00 a.m. to 06:00 p.m. on all working days, expect Saturdays and Sundays up to and including the date of Annual General Meeting of the Company and will also be available for the inspection
10. To route map showing direction to reach the venue of 5th Annual General Meeting ("AGM") is annexed.

For and on behalf of the Board of Directors of
Satin Finserv Limited

Date:
Place:

Sd/-
Puneet Jolly
Company Secretary

Satin Finserv Limited

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Ordinary Business

Item No. 2

The disclosure as required under Standard 1.2.5 of the "Secretarial Standard-2 on General Meetings" is given below:

Name of the Director	Mr. Harvinder Pal Singh
Date of Birth	December 24, 1960
Age	63 Years
Qualifications	A fellow member of ICAI since 1984; Participated in Harvard Business School's Accion program and a leadership program at Wharton Business School
Brief Profile & Experience	Mr. Harvinder Pal Singh has over three decades of microfinance experience to his credit and is responsible for pioneering the unique concept of daily collection of repayments of loans. Aside being an expert in lending, particularly in the microfinance field, Mr. Singh also has a wealth of experience across auditing, accounts, project financing, advisory services and company law matters. It is his financial engineering acumen, honed over almost thirty years of experience that has helped SCNL achieve its success in operational strategy and efficiency. Mr. Singh also participated in Harvard Business School's Accion Program on Strategic Leadership for Microfinance in 2009, as well as the leadership program organized by Women's World Banking at Wharton Business School, University of Pennsylvania in 2011. Mr. Singh has been an inspiration right from the very beginning when the company came into being in 1990, till today where he continues to be actively involved in the company's day-to-day operations. Under his leadership, SCNL has grown into one of India's leading microfinance institutions in the North and is poised to further expand its operations across the country.
Date of First Appointment on the Board	August 10, 2018
Terms and conditions of appointment or re-appointment	As per the Ordinary Resolution set forth at Item No. 2 of this Notice
Details of Remuneration sought to be paid (per annum)	NIL
Remuneration last drawn (Rs. In Lakhs)	NIL

<table>
<tr><td>Directorships held in other companies (excluding foreign companies) as on date</td><td>• Trishashna Holdings & Investments Private Limited
• Satin Creditcare Foundation
• Parinita Investments Private Limited
• Parishek Finance Private Limited
• Riwaaz Investments Private Limited
• Satin (India) limited
• Niryas Food Products Private Limited
• UV Associates Private Limited
• Satin Creditcare Network Limited
• Satin Media Solutions Limited
• Taco Consultants Private Limited
• Satin Neo Dimensions Private Limited
• Anushna Estates Private Limited
• Tomorrows One Global Network Private Limited
• Tomorrow’s Knowledge Pte. Limited
• Tomorrow’s One Capital Pte. Limited
• Prestellar Ventures Fund I Pte. Ltd.
• Satin Housing Finance Limited
• Global Social (India) Foundation
• Sa-Dhan the Association of Community Development Finance Institution</td></tr>
<tr><td>Chairmanship / Memberships of committees across companies of the Board</td><td><table><tr><th>Name of the Committee</th><th>Designation</th></tr><tr><td>Audit Committee</td><td>Member</td></tr><tr><td>Risk Management Committee</td><td>Member</td></tr><tr><td>Asset Liability Management Committee</td><td>Member</td></tr><tr><td>Nomination and Remuneration Committee</td><td>Member</td></tr></table></td></tr>
<tr><td>Shareholding in the Company</td><td>NIL</td></tr>
<tr><td>Relationship with other Directors/ Manager/ Key Managerial Personnel</td><td>NIL</td></tr>
<tr><td>Number of Board Meetings attended during the FY 2022-23</td><td>5</td></tr>
</table>

Satin Finserv Limited

ATTENDANCE SLIP

(To be presented at the entrance)

Members are requested to complete this Attendance Slip and hand it over at the Registered Office of the Company. Only Members or their Proxies are entitled to be present at the Annual General Meeting.

Name: Sh. Cert. No. /Folio No. / DP & Client ID:

Address: No. of Shares Held:

I hereby record my presence at the 5th Annual General Meeting held on Thursday, July 27, 2023 at 11:00 A.M. at its registered office at 4th Floor, B wing, Plot No. 492 Udyog Vihar, Phase III Gurugram Haryana - 122016

SIGNATURE OF THE SHAREHOLDER/PROXY *

*Strike out whichever is not applicable.

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]

CIN: **U65999HR2018PLC099128**
Name of the Company: **Satin Finserv Limited**
Address: **4th Floor, B wing, Plot No. 492 Udyog Vihar, Phase III Gurugram Haryana- 122016**

Name of the Member(s):
Registered Address:
E-mail Id:
Folio No. / Sh. Cert. No. DP & Client ID:
We, being the member of Satin Finserv Limited for__ ___Equity shares, hereby appoint

1. Name: ……..
2.Address:……
3.EmailId:……
4. Signature:……..…., or failing him

1.Name:……
2.Address:……
3.EmailId:……
4. Signature:……..…., or failing him

1.Name:……
2.Address:……
3.EmailId:……
4.Signature:……..……..
as our proxy to attend and vote by show of hands/ (on a poll) for us and on our behalf at the 5th Annual General Meeting of the Company, to be held on Thursday, July 27, 2023 at 11:00 A.M. at its registered office at 4th Floor, B wing, Plot No. 492 Udyog Vihar, Phase III, Gurugram - 122016, Haryana and at any adjournment thereof in respect of such resolution as are indicated below:

Resolution No.1: To receive, consider and adopt the Audited Financial Statements of the Company including the Balance Sheet as at March 31, 2023, the Statement of Profit & Loss for the financial year ended on that date and the Reports of Board of Directors and Auditors' thereon

Resolution No. 2: To appoint a Director in place of Mr. Harvinder Pal Singh (DIN: 00333754), Director who retires by rotation and being eligible, offers himself for re-appointment

Satin Finserv Limited

Date:_____,

Affix Re. 1 Revenue Stamp

Signature of the shareholder/Authorized Representative

Note:

1.) 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.

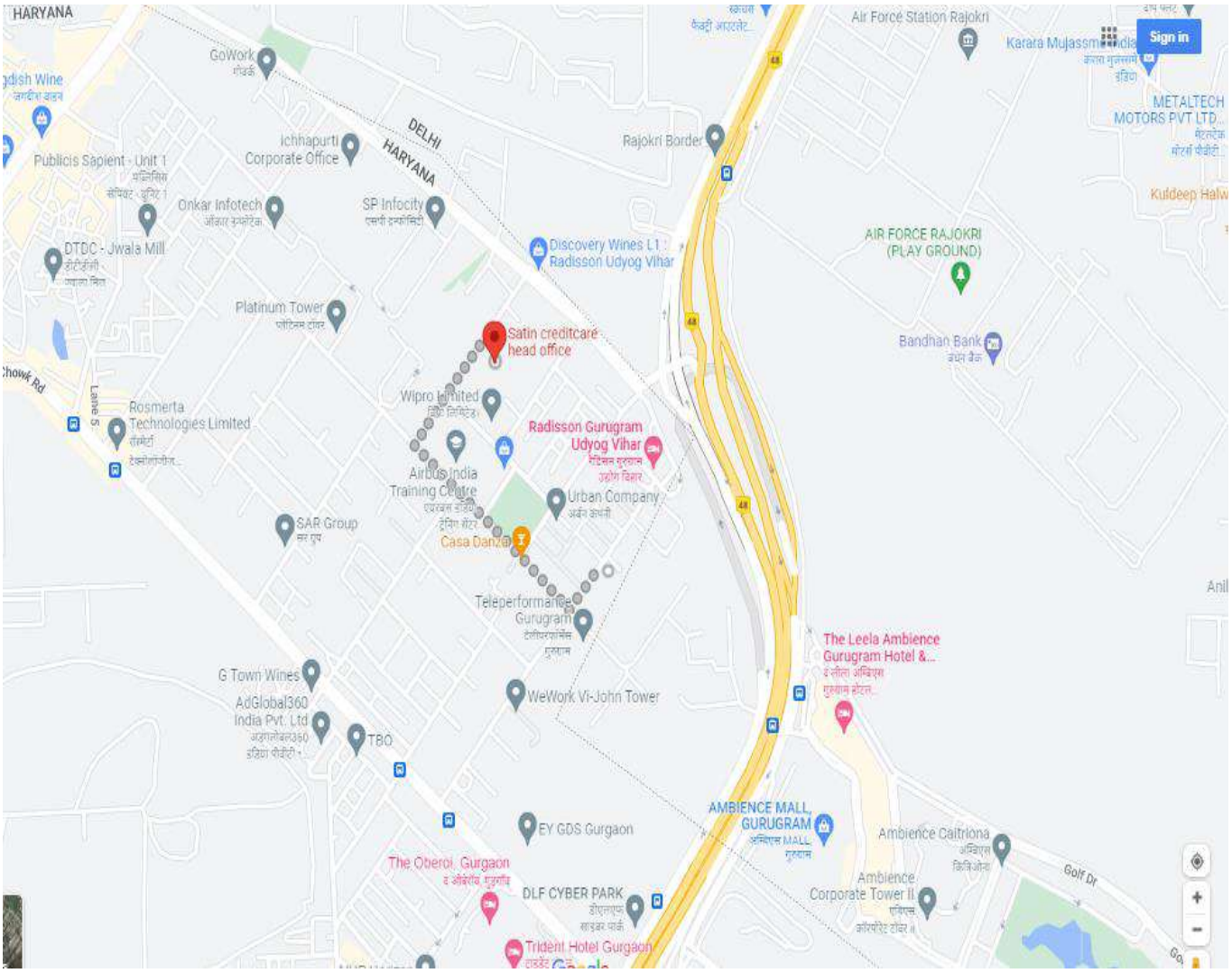
2.) Those Members who have multiple folios with different joint holders may use copies of this attendance slip/Proxy form.

3.) Inspection of proxies shall be allowed between 09:00 a.m. to 06:00 p.m.

ROUTE MAP

Venue of 5th Annual General Meeting

4th Floor, B wing, Plot No. 492 Udyog Vihar, Phase III, Gurugram - 122016, Haryana



Registered & Corporate Office:

4th Floor, 'B' Wing, Plot No. 492, Udyog Vihar, Phase -III

Gurugram, Haryana - 122016

CIN : U65999HR2018PLC099128 I **Landline No :** 0124 - 47154000

E-Mail ID : info@satinfinserv.com I **Website :** www.satinfinserv.com

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Independent Auditors' Report

To the Members of Satin Finserv Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Satin Finserv Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement, the Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('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 Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs (financial position) of the Company as at March 31, 2023, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Emphasis of Matters

We draw attention to Note no. 45 to the financial statements with explains that, during the year, Taraashna Financial Services Limited (amalgamating entity) was amalgamated with the Company vide Hon'able NCLT Order dated January 31, 2023. The scheme got effective from March 01, 2023. The Appointed Date of Scheme is April 01, 2021. By the effect of Appointed Date (i.e. April 01, 2021), the financial numbers of the Company for the financial year ended March 31, 2022 are also restated due to amalgamation of the merged entity with the Company.

We further draw attention to Note no 43B to the financial statements which explains that due to the amalgamation of the amalgamating entity with the company, which is registered as a Non-Banking Financial Company (NBFC), as on March 31, 2023, the company is not fulfilling Principal Business Criteria laid down by the RBI. As per the criteria, atleast 50% of total assets of the company should be financial assets and atleast 50% of the gross income should be from

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financial activities. The company meets the first criteria, but does not meets the second criteria as on March 31, 2023. However, the RBI vide letter dated July 22, 2022 has granted to the company time till March 31, 2024 for fulfilling the said criterion

Our opinion is not modified in respect of this matter.

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

(a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud

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is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

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

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

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.

/e 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.

Report on Other Legal and Regulatory Requirements

As required by section 197(16) of the Act, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.

Further to our comments in Annexure A, as required by Section 143(3) of the Act, we report that:

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

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

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

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

(e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act;

(f) we have also audited the internal financial controls over financial reporting of the Company as on March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated April 22, 2023 as per Annexure B expressed unmodified opinion; and

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

(i) the Company did not have any pending litigations which impacted its financial position as at March 31, 2023;

(ii) the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at March 31, 2023;

(iii) there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2023;

(iv) a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) 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 entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, 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) Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or

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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 that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement

(v) As per the information and records provided to us by the company, no dividend has been declared or paid during the year.

(vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For Rajeev Bhatia & Associates
Chartered Accountants
Firm's Registration No.: 021776N

RAJEEV BHATIA & ASSOCIATES
DELHI
Chartered Accountants

Jatin Goel
Partner
Membership No.: 553420
UDIN 23553420BGTZMI5350.

Place: Gurugram
Date: April 22, 2023

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Annexure A to the Independent Auditors' Report

Referred to in Paragraph 1 under the heading of "Report on other legal and regulatory requirements" of our report of even date of **Satin Finserv Limited** on the financial statements for the year ended March 31, 2023)

(i) Fixed Assets

a) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets on the basis of available information.

The Company has maintained proper records showing full particulars of intangible assets.

b) The Property, Plant and Equipment and right-of-use assets of the Company was physically verified as at the year-end by the management, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancy was noticed on such verification.

c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not hold any immovable property in its name during the period under audit. Thus, paragraph 3(i) (c) of the Order is not applicable to the Company.

d) The Company has not revalued any of its Property, Plant & Equipment and intangible assets during the year. Thus, paragraph 3(i) (d) of the Order is not applicable to the Company.

e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder. Thus, paragraph 3(i)(e) of the Order is not applicable to the Company.

(ii) Inventories & Working Capital Limit

a) The Company is a service company. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable to the Company.

b) As per the information and explanation provided to us, the company does not have a working capital limit sanctioned from any bank or financial institution on the basis of security of current assets during the year and as on March 31, 2023. Hence, the reporting under clause 3(ii)(b) of the Order is not applicable.

(iii) Loans granted by company

a) The Company has been registered under section 45-IA of the Reserve Bank of India Act 1934 as a Non-Banking Financial Company (NBFC). Hence, reporting under clause 3(iii)(a) of the order is not applicable to the company.

b) In our opinion, the terms and conditions of the grant of loans in nature of loans and advances, during the year are, prima facie, not prejudicial to the Company's interest.

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c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are generally been regular as per stipulation.

d) In respect of loans granted by the company, the details of total amount overdue above 90 days are as follows:

No. of cases	Principal Amount Overdue (in Rs.)	Interest Overdue (in Rs.)	Total Overdue (in Rs.)	Remarks
382	1,39,92,789	1,18,67,045	2,58,59,834	NIL

** no. of cases includes restructured cases in compliance of guidelines notification issued by RBI from time to time.*

The company is taking reasonable steps for the recovery of principal and interest overdue amount.

e) The Company has been registered under section 45-IA of the Reserve Bank of India Act 1934 as a Non-Banking Financial Company (NBFC). Hence, reporting under clause 3(iii)(e) of the order is not applicable to the company.

f) 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 during the year. Hence, reporting under clause 3(iii)(f) is not applicable.

(iv) Compliance of Section 185 and 186 of The Act

The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, as applicable.

(v) Acceptance of Deposits

In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits during the year. Thus, paragraph 3(v) of the Order is not applicable to the Company.

(vi) Maintenance of Cost records

To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 for the services of the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.

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(vii) Payment of Applicable Taxes

a) According to the information and explanations provided to us and the records of the company examined by us, in our opinion, the Company is regular in depositing undisputed statutory dues including income-tax, goods and services tax, provident fund, employees' state insurance, professional taxes and other material statutory dues as applicable with the appropriate authorities in India.

According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, service tax, provident fund, employees' state insurance, professional taxes and other material statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us and the records of the company examined by us, during the period under audit, there are no dues of income tax or any other applicable statutory dues which have not been deposited on account of any dispute.

viii) Undisclosed income

There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

(ix) Dues to a Financial Institution or bank or debenture holder

a) Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to banks and financial institutions.

b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

c) In our opinion and according to the information and explanations given to us, the company has utilized the money obtained by way of term loans during the year for the purposes for which they were obtained.

d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the company, we report that 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 during the year. Hence, reporting under 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 during the year. Hence, reporting under clause 3(ix)(f) of the Order is not applicable to the Company.

(x) Initial Public Offer

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a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, paragraph 3 (x)(a) of the Order is not applicable.

b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

(xi) Fraud by the Company or on the Company

a) According to the information and explanations given to us, We report that some instances of misappropriation of cash collected from customers and other forms of embezzlement of cash by the employees involving amounts aggregating Rs. 76.14 Lakhs. The Company has terminated the services of such employees and also initiated legal action against such employees. The Company has recovered Rs. 8.56 Lakhs from some employees.

b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

c) As represented to us by the management, there are no whistle blower complaints received by the company during the year. hence reporting under clause 3(xi)(c) of the Order is not applicable.

(xii) Nidhi Company

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

xiii) Related Party Transactions

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

xiv) Internal Audit

a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

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(xv) Non – Cash Transactions

According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with respect to acquiring any asset for consideration other than cash with directors or persons connected with them or vice versa. Accordingly, paragraph 3(xv) of the Order is not applicable.

xvi) Registration with RBI

a) The Company has been registered under section 45-IA of the Reserve Bank of India Act 1934 as a Non-Banking Financial Company (NBFC). As stated in "Emphasis of Matter" paragraph of our main Audit Report dated April 22, 2023, due to the amalgamation of Taraashna Financial Services Limited (amalgamating entity) with the company, which is registered as a Non-Banking Financial Company (NBFC), as on March 31, 2023, the company is not fulfilling Principal Business Criteria laid down by the RBI. As per the criteria, atleast 50% of total assets of the company should be financial assets and atleast 50% of the gross income should be from financial activities. The company meets the first criteria, but does not meets the second criteria as on March 31, 2023. However, the RBI vide letter dated July 22, 2022 has granted to the company, time till March 31, 2024 for fulfilling the said criteria as disclosed in note no. 43B to the financial statements.

b) The Company has conducted Non-Banking Financial activities during the year having a Certificate of Registration under section 45-IA of 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, paragraph 3(xvi)(c) of the Order is not applicable.

d) As per the information and explanation provided to us by the company, 2 companies in the group are in the process of registration as Core Investment Company under the Reserve Bank of India Act and an application regarding the same has been submitted with the RBI on March 28, 2023.

(vii) Cash Losses

The Company has not incurred any cash losses during the current financial year. However, cash losses were incurred during the immediately preceding financial year amounting to Rs. 20.51 Crores.

xviii) Resignation of Statutory Auditor

There has been no resignation of Statutory Auditors of the Company during the year. Hence the reporting under clause 3(xviii) of the Order is not applicable to the company.

xix) Material Uncertainty about the Company's Capability to discharge its liabilities

On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors' and Management's plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that

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any material uncertainty exists as on the date of the audit report indicating 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) Corporate Social Responsibility

a) The provisions of the section 135 of the Companies Act, 2013 are not applicable to the company during the current financial year. Accordingly, reporting under clause 3(xx) of the Order is not applicable.

xxi) Qualification or Adverse Remarks by the respective auditors

Since the company is not required to prepare Consolidated Financial Statements, the reporting under this clause is not applicable to the company.

For Rajeev Bhatia & Associates
Chartered Accountants
Firm's Registration No.: 021776N

RAJEEV BHATIA & ASSOCIATES DELHI Chartered Accountants

Jatin Goel
Partner
Membership No.: 553420
UDIN - 23553420BGTZMI5350.

Place: Gurugram
Date: April 22, 2023

Rajeev Bhatia & Associates
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Annexure B to the Independent Auditors' Report of even date to the members of Satin Finserv Limited on the financial statements for the year ended March 31, 2023

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

1. In conjunction with our audit of the financial statements of Satin Finserv Limited ('the Company') as at and for the year ended March 31, 2023, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Company as at that date.

Management's Responsibility for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls 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 ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

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

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

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's IFCoFR.

RAJEEV BHATIA & ASSOCIATES
DELHI
Chartered Accountants

Rajeev Bhatia & Associates
Chartered Accountants

201, 203, 2nd Floor,
A-20, Indraprastha Bhawan,
Dr. Mukherjee Nagar
Commercial Complex, Delhi-110009
011-45131008, 9810057854
info@rajeevbhatiaassociates.com

Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's IFCoFR include those policies and procedures that

(1) pertains to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and Directors of the Company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, 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 IFCoFR to future periods are subject to the risk that the IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at March 31, 2023, based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For Rajeev Bhatia & Associates
Chartered Accountants
Firm's Registration No.: 021776N

RAJEEV BHATIA & ASSOCIATES DELHI Chartered Accountants

Jatin Goel
Partner
Membership No.: 553420
UDIN - 23553420BGTZMI5350

Place: Gurugram
Date: April 22, 2023

Rajeev Bhatia & Associates
Chartered Accountants

201, 203, 2nd Floor,
A-20, Indraprastha Bhawan,
Dr. Mukherjee Nagar
Commercial Complex, Delhi-110009
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To,

The Board of Directors,
Satin Finserv Limited,
Plot no. 492, Wing-4B, Udyog Vihar, Phase-III,
Gurugram, Haryana - 122016

Sub:- Master Direction – Non Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016

We, Rajeev Bhatia & Associates, have audited the financial statements of Satin Finserv Limited (the "Company") for the period ended March 31, 2023 and have issued our report dated April 22, 2023.

Based on the audited financial statements of the Company referred to above and information / explanations and representations received from the management, we confirm the following particulars:-

(A) In the case of all Non-Banking Financial Companies

1. The company has obtained a Certificate of Registration (CoR) from the Reserve Bank of India under section 45-IA of Reserve Bank of India Act 1934.

2. During the year, Taraashna Financial Services Limited (amalgamating entity) was amalgamated with the Company vide Hon'able NCLT Order dated January 31, 2023. The scheme got effective from March 01, 2023. The Appointed Date of Scheme is April 01, 2021. Due to the amalgamation of Taraashna Financial Services Limited (amalgamating entity) with the company, as on March 31, 2023, the company is not fulfilling Principal Business Criteria laid down by the RBI. As per the criteria, atleast 50% of total assets of the company should be financial assets and atleast 50% of the gross income should be from financial activities. The company meets the first criteria, but does not meet the second criteria as on March 31, 2023. However, the RBI vide letter dated July 22, 2022 has granted the company, time till March 31, 2024 for fulfilling the said criteria as disclosed in note no. 43B to the financial statements and reported in our Audit Report dated April 22, 2023. Accordingly, the company is entitled to continue to hold such CoR as on 31 March 2023.

3. The company is meeting the required net owned fund requirement as laid down in Master Direction - Non-Banking Financial Company – Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 and amendment thereon from time to time.

(B) In the case of a non-banking financial companies accepting/holding public deposits

Being a Non-deposit taking Non-banking financial company, para (B) of Chapter II of Master Direction - Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016 is not applicable to the Company.

(C) In the case of a non-banking financial company not accepting public deposits

We further confirm that:

1. The Board of Directors has passed a resolution for non- acceptance of any public deposits dated April 27, 2022.

RAJEEV BHATIA & ASSOCIATES DELHI Chartered Accountants

Rajeev Bhatia & Associates
Chartered Accountants

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Commercial Complex, Delhi-110009
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2. As per our verification of books of accounts and further explanation and information produced before us, we confirm that the Company has not accepted any public deposits during the financial year ended March 31, 2023.

3. The company has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it in terms of Non-Banking Financial Company – Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016.

4. The Capital adequacy ratio as disclosed in the return submitted to the RBI in form DNBS-03, has been correctly arrived at and is in compliance with the minimum CRAR prescribed. The company has furnished the return within the stipulated period.

5. On the basis of our verification and further explanation and information as produced before us, we confirm that the Company has been registered with Reserve Bank of India under section 45-IA under the category – Loan Company. Accordingly, classification as NBFC Micro Finance Institutions (MFI) as defined in the Non-Banking Financial Company – Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 is not applicable to the Company for the financial year ended March 31, 2023.

(D) In the case of a company engaged in the business of non-banking financial institution not required to hold CoR subject to certain conditions

Para (D) of Chapter II of Master Direction - Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016 is not applicable to the Company.

This certificate is addressed to and provided to Board of Directors of the Company, in terms of Chapter II of Master Direction - Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016, solely for the purpose of enabling it to comply with the requirement of the Master Directions which inter alia requires it to submit the certificate by the Statutory Auditors to Board of Directors and should not be used, referred to of distributed for any other purposes without our prior written consent. Accordingly, we do not accept or assume any liability if it is to be used for other than its intended purpose without our prior written consent.

Place of Signature: Gurugram
Dated: April 22, 2023

For Rajeev Bhatia & Associates
Chartered Accountants
Firm's Registration No.: 021776N

RAJEEV BHATIA & ASSOCIATES DELHI Chartered Accountants

Jatin Goel
Partner
M. No. 553420
UDIN – 23553420BGTZMJ6217

SATIN FINSERV LIMITED
Balance Sheet as at March 31, 2023
(All amounts in ₹ in lakhs, unless stated otherwise)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
Financial assets			
Cash and cash equivalents	4	3,878.47	2,537.76
Bank balances other than cash and cash equivalents	5	3,161.44	4,276.24
Trade receivables	6	298.33	36.69
Loans	7	22,126.34	16,182.79
Other financial assets	8	690.08	902.93
		30,154.66	**23,936.41**
Non Financial assets			
Current tax assets (net)	9	996.78	821.87
Deferred tax assets (net)	10	1,123.55	1,218.65
Property, Plant and Equipment	11	299.12	351.24
Intangible assets	12	4.70	5.88
Other non financial assets	13	340.04	273.96
		2,764.19	**2,671.60**
TOTAL		**32,918.85**	**26,608.01**
LIABILITIES AND EQUITY			
Financial Liabilities			
Payables			
Trade payables	14		
total outstanding dues of MSMEs		10.42	10.42
total outstanding dues of creditors other than MSMEs		279.61	235.67
Debt securities	15	553.09	550.38
Borrowings (other than debt securities)	16	16,401.48	10,822.07
Other financial liabilities	17	271.49	228.62
		17,516.09	**11,847.16**
Non Financial Liabilities			
Provisions	18	1,527.57	1,482.67
Other non-financial liabilities	19	107.67	108.76
		1,635.24	**1,591.43**
EQUITY			
Equity share capital	20	14,051.49	10,250.00
Other equity	21	(283.97)	2,919.42
		13,767.52	**13,169.42**
TOTAL EQUITY AND LIABILITIES		**32,918.85**	**26,608.01**

The accompanying notes are an integral part of the financial statements.
As per our review report of even date attached

For Rajeev Bhatia & Associates
Chartered Accountants
Firm's Registration No.: 021776N

Jatin Goel
Partner
M.No. 553420

RAJEEV BHATIA & ASSOCIATES DELHI Chartered Accountants

Place: Gurugram
Date: April, 22 2023

For and on behalf of the Board of Directors of
Satin Finserv Limited

Sumit Mukherjee
DIN: 08369056
WTD & CEO
Place : Gurugram

Harvinder Pal Singh
DIN: 00333754
Director
Place : Gurugram

Arjun Bansal

Chief Financial Officer
Place : Gurugram
Date: April, 22 2023

Puneet Jolly
Mem No: 43608
Company Secretary
Place : Gurugram

SATIN FINSERV LIMITED GURUGRAM

SATIN FINSERV LIMITED

Statement of Profit and Loss for the period ended March 31, 2023

(All amounts in ₹ in lakhs, unless stated otherwise)

Particulars	Notes	For the period ended March 31, 2023	For the year ended March 31, 2022
Revenue from operations			
Interest income	22	4,165.78	2,902.24
Fees and commission income	23	6,382.43	6,484.87
Net gain on fair value changes	24	0.19	-
Total revenue from operations		**10,548.41**	**9,387.11**
Other income	25	102.28	323.55
Total income		**10,650.69**	**9,710.66**
Expenses:			
Finance costs	26	1,849.57	1,250.68
Impairment on financial instruments	27	378.05	414.94
Employee benefits expense	28	5,334.77	5,686.62
Depreciation and amortization expense	29	174.89	204.99
Other expenses	30	2,092.01	4,850.99
Total expenses		**9,829.29**	**12,408.22**
Profit / (loss) before exceptional items and tax		**821.40**	**(2,697.56)**
Exceptional items		-	-
Profit / (loss) before tax		**821.40**	**(2,697.56)**
Prior period items			
Tax expense			
Current tax		116.85	-
Mat credit utilization/ (entitlement) (net)		(116.85)	-
Deferred tax expense/(credit)		215.09	(687.88)
Earlier years tax		0.01	-
Total tax expense		**215.10**	**(687.88)**
Net profit/(loss) for the period		**606.30**	**(2,009.68)**
Other comprehensive income			
Item that will not to be reclassified to profit or loss			
Re-measurement gains/(losses) on defined benefit plans		(11.36)	8.65
Income tax relating to these items		3.16	(2.41)
Other comprehensive income/(loss) for the period		**(8.20)**	**6.24**
Total comprehensive income / (loss) for the period		**598.10**	**(2,003.44)**
Earnings per share (basic and diluted) (in Rs.)	31		
Basic (Rs.)		0.43	(1.43)
Diluted (Rs.)		0.43	(1.43)

The accompanying notes are an integral part of the financial statements.
As per our review report of even date attached

For Rajeev Bhatia & Associates.
Chartered Accountants
Firm's Registration No.: 021776N

Jatin Goel
Partner
M.No. 553420

RAJEEV BHATIA & ASSOCIATES Chartered Accountants DELHI

Place: Gurugram
Date: April, 22 2023

For and on behalf of the Board of Directors of
Satin Finserv Limited

Sumit Mukherjee
DIN: 08369056
WTD & CEO
Place : Gurugram

Harvinder Pal Singh
DIN: 00333754
Director
Place : Gurugram

Arjun Bansal
Chief Financial Officer
Place : Gurugram

Puneet Jolly
Mem No: 43608
Company Secretary
Place: Gurugram

Date: April, 22 2023

SATIN FINSERV LIMITED GURUGRAM

SATIN FINSERV LIMITED
Cash flow statement for the period ended March 31, 2023
(All amounts in ₹ in lakhs, unless stated otherwise)

Particulars		For the period ended March 31, 2023	For the period ended March 31, 2022
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit/(Loss) before tax		821.40	(2,714.66)
Adjustments for:			
Provision for expected credit losses		21.25	317.34
Provision for employee benefits		(3.96)	(57.10)
Depreciation and amortisation expense		82.42	96.67
Depreciation of ROU assets		92.47	108.33
Loss/(gain) on disposal of tangible assets		-	(2.75)
Interest paid on borrowings		1,725.62	1,151.80
Operating Profit/(loss) Before Working Capital Changes		2,739.20	(1,100.37)
Changes in working capital:			
Adjustments for (increase)/ decrease in operating assets:			
Trade receivables		(261.64)	430.23
Other bank balances		1,114.80	580.36
Financial Assets		(5,964.80)	(3,639.30)
Other financial assets		212.86	(162.75)
Other non financial assets		(66.08)	(38.96)
Adjustments for (increase)/ decrease in operating liabilities:			
Trade payables		43.94	(440.84)
Other financial liabilities		42.87	(62.39)
Other non financial liabilities		(1.09)	6.04
Provisions		37.50	406.36
Movement in operating assets and liabilities		(4,841.64)	(2,921.25)
Cash generated from operations		(2,102.44)	(4,021.62)
Less: Income tax refund / (paid) (net)		(291.75)	(16.90)
Net cash flow/(used) in operating activities	(A)	(2,394.19)	(4,038.52)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(162.70)	(243.56)
Sale of property, plant and equipment		41.10	14.32
Net cash used in investing activities	(B)	(121.60)	(229.24)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		(5,834.55)	(2,981.33)
Proceeds from borrowings		11,465.50	8,555.29
Interest paid on borrowings		(1,725.62)	(1,151.80)
Payment of lease liabilities		(48.83)	(89.39)
Net cash flow from financing activities	(C)	3,856.50	4,332.77
Net (Decrease)/Increase in cash and cash equivalents	(A+B+C)	1,340.71	65.01
Cash and cash equivalents at the beginning of the year		2,537.76	2,472.75
Cash and cash equivalents at the end of the year		3,878.47	2,537.76
Reconciliation of cash and cash equivalents as per the cash flow statement		1,340.71	65.01

The accompanying notes are an integral part of the financial statements.
As per our review report of even date attached

For Rajeev Bhatia & Associates
Chartered Accountants
Firm's Registration No.: 021776N

Satin Goel
Partner
M.No. 553420

RAJEEV BHATIA & ASSOCIATES DELHI Chartered Accountants

Place: Gurugram
Date: April, 22 2023

For and on behalf of the Board of Directors of
Satin Finserv Limited

Sumit Mukherjee
DIN: 08369056
WTD & CEO
Place : Gurugram

Arjun Bansal

Chief Financial Officer
Place: Gurugram
Date: April, 22 2023

Harvinder Pal Singh
DIN: 00333754
Director
Place: Gurugram

Puneet Jolly
Mem No: 43608
Company Secretary
Place: Gurugram

SATIN FINSERV LIMITED GURUGRAM

SATIN FINSERV LIMITED

Statement of changes in equity for the period ended March 31, 2023

(All amounts in ₹ in lakhs, unless stated otherwise)

A Equity share capital

Current reporting period

Particulars	Balance as at April 1, 2022	Changes in Equity Share Capital due to prior period errors	Restated Balance as at April 1, 2022	Change in equity share capital during the year	Balance as at March 31, 2023
Equity Share Capital	10,250.00		10,250.00	3,801.49	14,051.49

Previous reporting period

Particulars	Balance as at April 1, 2021	Changes in Equity Share Capital due to prior period errors	Balance as at April 1, 2021	Change in equity share capital during the year	Balance as at March 31, 2022
Equity Share Capital	10,250.00		10,250.00	-	10,250.00

B Other equity

Particulars	Reserves and surplus						Total
	Statutory reserves	Securities premium	Share capital pending allotment*	Capital redemption reserve	Amalgamation reserve*	Retained earnings	
Balance as at April 1, 2021	**108.88**	-	**3,801.49**	-	**725.23**	**287.26**	**4,922.86**
Profit/(Loss) for the year	-	-	-	-	-	(2,009.68)	(2,009.68)
Other comprehensive income (net of tax)	-	-	-	-	-	6.24	6.24
Issue of equity shares	-	-	-	-	-	-	-
Transfer to statutory reserves	36.63	-	-	-	-	(36.63)	-
Balance as at April 01, 2022	**145.51**	-	**3,801.49**	-	**725.23**	**(1,752.81)**	**2,919.42**
Profit/(Loss) for the year	-	-	-	-	-	606.30	606.30
Other comprehensive income (net of tax)	-	-	-	-	-	(8.20)	(8.20)
Issue of equity shares	-	-	(3,801.49)	-	-	-	(3,801.49)
Transfer to statutory reserves	164.28	-	-	-	-	(164.28)	-
Balance as at March 31, 2023	**309.79**	-	-	-	**725.23**	**(1,318.99)**	**(283.97)**

* Refer note 21

The accompanying notes are an integral part of the financial statements.

As per our review report of even date attached

For Rajeev Bhatia & Associates.
Chartered Accountants
Firm's Registration No.: 021776N

Jatin Goel
Partner
M.No. 553420

RAJEEV BHATIA & ASSOCIATES DELHI Chartered Accountants

Place: Gurugram
Date: April, 22 2023

For and on behalf of the Board of Directors of
Satin Finserv Limited

Sumit Mukherjee
DIN: 08369056
WTD & CEO
Place : Gurugram

Arjun Bansal
Chief Financial Officer
Place : Gurugram
Date: April, 22 2023

Harvinder Pal Singh
DIN: 00333754
Director
Place : Gurugram

Puneet Jolly
Mem No: 43608
Company Secretary
Place : Gurugram

SATIN FINSERV LIMITED GURUGRAM

Satin Finserv Limited
Summary of significant accounting policies and other explanatory information for the year ended March 31, 2023

1. Company Overview / Corporate Information

Satin Finserv Limited ('the Company') is a public limited company and incorporated on August 10, 2018, under the provisions of Companies Act. The Company is a non-deposit accepting Non-Banking Financial Company ('NBFC-ND') and is registered as a Non-Banking Financial Company ('NBFC') with the Reserve Bank of India ("RBI") in January 09, 2019. The main objective of the Company to carry on the business of Non-Banking Financial Company and to undertake business relating to financing. The Company is also engaged in the business of "Business Correspondent" activity with various Banks and NBFCs. As per Reserve Bank of India ('RBI'), scope of activity of Business Correspondent services includes Identification of Borrowers, collection and preliminary processing of loan applications including verification of primary information, processing and submission of applications to banks, promoting, nurturing and monitoring of Self Help Groups/Joint Liability Groups, post-sanction monitoring, follow-up for recovery, disbursal of small value credit and recovery of principal/collection of interest. The Company is domiciled in India and its registered office & corporate office is situated at 4th Floor, B-Wing, Plot No. 492, Udyog Vihar, Phase-III, Gurugram, Haryana - 122016.

2. Basis of preparation

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

These Ind AS financial statements ("the Financial Statements") have been prepared in accordance with the Indian Accounting Standards 'Ind AS') as notified by Ministry of Corporate Affairs ('MCA') under Section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act.
The financial statements for the year ended March 31, 2023 are the financial statements, which has been prepared in accordance with Ind AS and other applicable guidelines issued by the Reserve Bank of India ('RBI').
The financial statements for the year ended March 31, 2023 were authorized and approved for issue by the Board of Directors on April 22, 2023.

(ii) Historical cost convention

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

3. Summary of significant accounting policies

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

a) Property, plant and equipment

Recognition and initial measurement

Property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognised in statement of profit or loss as incurred and the cost of item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

RAJEEV BHATIA & ASSOCIATES DELHI Chartered Accountants

SATIN FINSERV LIMITED GURUGRAM

Satin Finserv Limited
Summary of significant accounting policies and other explanatory information for the year ended March 31, 2023

Subsequent measurement (depreciation method, useful lives and residual value)

Property, plant and equipment are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation on property, plant and equipment is provided on a straight-line basis, computed on the basis of useful lives prescribed in Schedule II to the Companies Act, 2013.

Asset class	Useful life
Office equipment	5 years
Computer and accessories – end user devices	3 years
Computer and accessories – network equipment	6 years
Furniture and fixtures	10 years
Vehicles	8 years
Plant and machinery	6 - 15 years

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

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

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

Capital work-in-progress
Capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and advances paid to acquire property, plant and equipment. Assets which are not ready to intended use are also shown under capital work-in-progress.

b) Intangible assets

Recognition and initial measurement
Intangible assets are stated at their cost of acquisition. The cost comprises purchase price including any import duties and other taxes (other than those subsequently recoverable from taxation authorities), borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

Subsequent measurement (amortisation)
Intangible assets are amortised over a period of 3 years from the date when the assets are available for use. The estimated useful life (amortisation period) of the intangible assets is arrived basis the expected pattern of consumption of economic benefits and is reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

c) Revenue recognition

Interest, administration and other charges (for loans)
Interest, administration and other charges received are recorded on accrual basis using the effective interest rate (EIR) method along with the consideration of transaction cost directly attributable to the creation of financial instrument being Loan Asset. Additional interest/overdue interest/penal charges are recognised only when it is reasonable certain that the ultimate collection will be made.

Commission income
Income from business correspondent services is recognised as and when the services are rendered as per agreed terms and conditions of the contract.

RAJEEV BHARDWAJ & ASSOCIATES Chartered Accountants DELHI

SATIN FINSERV LIMITED GURUGRAM

Dividend income
Dividend income is recognised at the time when the right to receive is established by the reporting date.

Other Charges related to Operation
The Company collect other charges i.e. login fee, documentation charges, overdue interest, Cheque bounce charges, prepayment charges, conversion charges, document retrieval charges, Foreclosure charges etc from all the borrowers based on event, and recognise this income on collection basis.

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

d) Borrowing costs

Borrowing costs directly attributable to the acquisition and/or construction of a qualifying asset, are capitalized during the period of time that is necessary to complete and prepare the asset for its intended use or sale. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the statement of profit and loss as incurred basis the effective interest rate method.

e) Taxation

Tax expense recognized in statement of profit and loss comprises the sum of deferred tax and current tax except the ones recognized in other comprehensive income or directly in equity.

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

Minimum alternate tax ('MAT') credit entitlement is recognised as an asset only when and to the extent there is convincing evidence that normal income tax will be paid during the specified period. In the year in which MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT credit entitlement. This is reviewed at each balance sheet date and the carrying amount of MAT credit entitlement is written down to the extent it is not reasonably certain that normal income tax will be paid during the specified period.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit or loss (either in other comprehensive income or in equity).

f) Employee benefits

Short-term employee benefits

Short-term employee benefits including salaries, short term compensated absences (such as a paid annual leave) where the absences are expected to occur within twelve months after the end of the period in which the employees render the related service, profit sharing and bonuses payable within twelve months after the end of the period in which the

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employees render the related services and non-monetary benefits for current employees are estimated and measured on an undiscounted basis.

Post-employment benefit plans are classified into defined benefits plans and defined contribution plans as under:

Defined contribution plans

The Company has a defined contribution plans namely provident fund, pension fund and employees state insurance scheme. The contribution made by the Company in respect of these plans are charged to the Statement of Profit and Loss.

Defined benefit plans

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. Where in the employee will receive on retirement is defined by reference to employee's length of service and last drawn salary. Under the defined benefit plans, the amount that an employee will receive on retirement is defined by reference to the employee's length of service and final salary. The legal obligation for any benefits remains with the Company, even if plan assets for funding the defined benefit plan have been set aside. The liability recognised in the statement of financial position for defined benefit plans is the present value of the Defined Benefit Obligation (DBO) at the reporting date less the fair value of plan assets. Management estimates the DBO annually with the assistance of independent actuaries. Actuarial gains/losses resulting from re-measurements of the liability/asset are included in other comprehensive income.

Other long-term employee benefits

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

g) Share based payments

Share based compensation benefits are provided to employees via Satin Creditcare Network Limited ('Parent Company') Employee Stock Option Plans (ESOPs). The employee benefits expense is measured using the fair value of the employee stock options and is recognised over vesting period with a corresponding increase in equity. The vesting period is the period over which all the specified vesting conditions are to be satisfied. On the exercise of the employee stock options, the employees of the Company will be allotted Parent Company's equity shares.

h) Impairment of non-financial assets

The Company's non-financial assets other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU.

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An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment loss recognized in respect of a CGU is allocated first to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a prorata basis.

An impairment loss in respect of assets for which impairment loss has been recognized in prior periods, the Company reviews at reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

i) Impairment of financial assets

Loan assets

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

- A financial instrument that is not credit-impaired on initial recognition is classified in 'Stage 1' and has its credit risk continuously monitored by the Company i.e. the default in repayment is within the range of 0 to 30 days.
- If a significant increase in credit risk ('SICR') since initial recognition is identified, the financial instrument is moved to 'Stage 2' but is not yet deemed to be credit-impaired i.e. the default in repayment is within the range of 31 to 90 days.
- If the financial instrument is credit-impaired, the financial instrument is then moved to 'Stage 3' i.e. the default in repayment is more than 90 days.

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

Probability of Default (PD) - The PD represents the likelihood of a borrower defaulting on its financial obligation (as per "Definition of default and credit-impaired" above), either over the next 12 months (12 months PD), or over the remaining lifetime (Lifetime PD) of the obligation.

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

Exposure at Default (EAD) – EAD is based on the amounts the Company expects to be owed at the time of default. For a revolving commitment, the Company includes the current drawn balance plus any further amount that is expected to be drawn up to the current contractual limit by the time of default, should it occur.

Forward-looking economic information (including management overlay) is included in determining the 12-month and lifetime PD, EAD and LGD. The assumptions underlying the expected credit loss are monitored and reviewed on an ongoing basis.

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

When making this assessment, the Company uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Company compares the risk of a default occurring on the financial

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

j) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand (including imprest), demand deposits and short-term highly liquid investments that are readily convertible into known amount of cash and which are subject to an insignificant risk of changes in value.

Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before exceptional items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

k) Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Company has concluded that no changes are required to lease period relating to the existing lease contracts.

The Company as a lessee

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

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

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the exclusive 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.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any

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lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

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

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

Lease liability and ROU asset have been separately presented in the Balance Sheet.

The Company as a lessor

The company does not have any leases as a lessor.

Transition

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the prospective method and has recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and corresponding right of use asset at the same value. Due to the prospective method applied, the comparatives as at and for the year ended March 31, 2019 will continue to be reported under the accounting policies included as part of our financial statements for year ended March 31, 2019.
Leases in which the lessor does not transfer substantially all the risks and rewards of ownership of an asset to the lessee are classified as operating leases. Lease rental are charged to statement of profit and loss on straight line basis except where scheduled increase in rent compensates the lessor for expected inflationary costs.

l) Provisions, contingent assets and contingent liabilities

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

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

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

m) Financial instruments

Initial recognition and measurement
Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs. Subsequent measurement of financial assets and financial liabilities is described below.

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Non-derivative financial assets

Subsequent measurement

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

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

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

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

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

Impairment of financial assets

The Company recognizes loss allowance using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all financial assets with contractual cash flows other than trade receivable, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECLs (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised as an impairment gain or loss in the Statement of Profit and Loss.

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

Non-derivative financial liabilities

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

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

Offsetting of financial instruments

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

n) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss (interest and other finance cost associated) for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

o) Segment reporting

The Company identifies segment basis the internal organization and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are regularly by the executive management ('chief operating decision maker') in deciding how to allocate resources and in assessing performance. The accounting policies adopted for segment reporting are line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship with the operating activities of the segment.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Chief Executive Officer (CEO) of the Company is responsible for allocating resources and assessing performance of the operating segments and accordingly identified as the chief operating decision maker. Revenues, expenses, assets and liabilities, which are common to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been treated as "unallocated revenues/ expenses/ assets/ liabilities", as the case may be.

p) Share issue expenses

All the expenses pertaining to issue of equity share capital are adjusted against the Securities Premium Account to the extent any balance is available for utilisation in securities premium account.

q) Guarantee contracts

First loss default guarantee contracts are contracts that require the Company to make specified payments to reimburse the bank and financial institution for a loss, it incurs because a specified customer fails to make payments when due, in accordance with the terms of a loan contracts or due to negligence or deficiency of service or non-observance, by the Company, of stipulations and conditions contained in the agreement with respective business partners. Such guarantees are given to banks and financial institutions, for whom the Company acts as 'Business Correspondent'.

On each reporting date, liabilities against these guarantee contracts are measured and recognised in books as per the terms of agreements and any subsequent mutual consent with respective business partners.

Further, the maximum liability against these guarantee contracts are restricted to the cash outflow agreed in the agreements with respective business partners.

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r) Significant management judgement in applying accounting policies and estimation uncertainty

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

Significant management judgements

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

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

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

- Determining criteria for significant increase in credit risk;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and
- Establishing groups of similar financial assets for the purposes of measuring ECL.

Provisions – At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

Significant estimates

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

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

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

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Notes to the financial statements for the period ended March 31, 2023

(All amounts in ₹ in lakhs, unless stated otherwise)

Note 4: Cash and cash equivalents

Particulars	As at March 31, 2023	As at March 31, 2022
Balance with banks in current accounts	2,046.94	737.83
Cash in hand	678.76	620.20
Deposits with original maturity of less than 3 months	1,152.77	1,179.73
Total of cash and cash equivalents	**3,878.47**	**2,537.76**

Note: There are no repatriation restrictions with respect to cash and cash equivalents as at the end of the reporting year and comparative years.

Note 5:Bank balances other than cash and cash equivalents

Particulars	As at March 31, 2023	As at March 31, 2022
Term deposits for remaining maturity of 3 months or less	-	200.76
Term deposits with remaining maturity more than 3 months but less than 12 months	50.03	-
Term deposits having remaining maturity of more than 1 year	-	-
Balance with banks and financial institutions to the extent held as margin money deposits against borrowings and guarantees/against first loss/second loss default guarantees	3,111.41	4,075.48
Total	**3,161.44**	**4,276.24**

Note 6: Trade receivables (at amortised cost)

Particulars	As at March 31, 2023	As at March 31, 2022
Trade Receivables		
Receivables considered good - unsecured	298.33	36.69
Less: Provision for impairment on trade receivables	-	-
	298.33	**36.69**
(II) Other Receivables		
Other Receivables	-	-
Less: Provision for Impairment on other receivables	-	-
	-	-
Total	**298.33**	**36.69**

Based on past history of receivables, Management considered Nil allowances towards credit losses.

Note 7: Loan portfolio (at amortised cost)

Particulars	As at March 31, 2023	As at March 31, 2022
Portfolio loans		
Secured	17,295.42	10,693.06
Unsecured	5,407.60	6,045.16
Less: Impairment loss allowance	(576.68)	(555.43)
	22,126.34	**16,182.79**
Total	**22,126.34**	**16,182.79**
(i) Secured by book debts, margin money and property plant and equipments	17,295.42	10,693.06
(ii) Covered by bank/government guarantees	-	-
(iii) Unsecured	5,407.60	6,045.16
Total - Gross	**22,703.02**	**16,738.22**
Less: Impairment loss allowance	(576.68)	(555.43)
Total - Net	**22,126.34**	**16,182.79**
Loans in India		
(i) Public Sector	-	-
(ii) Others	22,703.02	16,738.22
Total - Gross	**22,703.02**	**16,738.22**
Less: Impairment loss allowance	(576.68)	(555.43)
Total - Net	**22,126.34**	**16,182.79**

The above amount includes the interest accrued and exclude unamortised loan processing fees, as follows:

Particulars		
Interest accured	341.56	202.85
Unamortised loan processing fee	284.68	147.31

There are no loans or advances repayable on demand or without specifying any terms or period of repayment of the related parties.

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Notes to the financial statements for the period ended March 31, 2023
(All amounts in ₹ in lakhs, unless stated otherwise)

Note 8: Other financial assets (at amortised cost)

Particulars	As at March 31, 2023	As at March 31, 2022
Security deposits (unsecured, considered good)	22.13	138.36
Staff advance and other recoverable	45.77	42.93
Other recoverable	244.55	-
Unbilled revenue	370.63	721.64
	690.08	**902.93**

Note 9: Current tax assets (net)

Particulars	As at March 31, 2023	As at March 31, 2022
Advance income-tax and TDS receivable	996.78	821.87
	996.78	**821.87**

Note 10: Deferred tax assets (net)

Particulars	As at March 31, 2023	As at March 31, 2022
Tax effect of items constituting deferred tax assets:		
(a) Provision for Employee benefits	33.46	41.15
(b) Depreciation and amortisation	29.56	29.03
(c) Carried Forward Losses	305.71	524.10
(e) Impact of IndAs 116	2.87	4.98
(f) Allowance for expected credit loss	535.29	522.11
(g) Minimum alternate tax credit entitlement	222.45	105.60
(h) Measurement of financial assets and financial liabilities at amortised cost	0.12	0.34
(i) Preliminary expenses	-	0.25
	1,129.46	**1,227.56**
Tax effect of items constituting deferred tax liabilities:		
(j) Provision for 36(1)(viia)	5.91	8.91
	5.91	**8.91**
Deferred tax assets/(liabilities) (net)	**1,123.55**	**1,218.65**

Notes:

(i) Movement in deferred tax assets/(liabilities) for period ended March 31, 2023

Particulars	As at March 31, 2022	Recognised in other comprehensive income	Recognised in statement of profit and loss	As at March 31, 2023
Tax effect of items constituting deferred tax assets:				
(a) Provision for Employee benefits	41.15	3.16	(10.85)	33.46
(b) Depreciation and amortisation	29.03	-	0.53	29.56
(c) Carried Forward Losses	524.10	-	(218.39)	305.71
(d) Impact of IndAs 116	4.98	-	(2.11)	2.87
(e) Provision for first loss default guarantee	522.11	-	13.18	535.29
(f) Minimum alternate tax credit entitlement	105.60	-	116.85	222.45
(g) Measurement of financial assets and financial liabilities at amortised cost	0.34	-	(0.22)	0.12
(h) Others	-	-	-	-
(i) Preliminary expenses	0.25	-	(0.25)	-
	1,227.56	**3.16**	**(101.26)**	**1,129.46**
Tax effect of items constituting deferred tax liabilities:				
(i) Employee benefits	-	-	-	-
(j) Provision for 36(1)(viia)	8.91	-	(3.00)	5.91
	8.91	**-**	**(3.00)**	**5.91**
Net deferred tax asset	1,218.65	3.16	(98.26)	1,123.55

(ii) Movement in deferred tax assets/(liabilities) for year ended March 31, 2022:

Particulars	As at March 31, 2021	Recognised in other comprehensive income	Recognised in statement of profit and loss	As at March 31, 2022
Tax effect of items constituting deferred tax assets:				
(a) Provision for Employee benefits	39.19	(2.41)	4.37	41.15
(b) Depreciation and amortisation	37.38	-	(8.35)	29.03
(c) Carried Forward Losses	26.08	-	498.02	524.10
(d) Impact of IndAs 116	2.26	-	2.72	4.98
(e) Allowance for expected credit loss	314.46	-	207.65	522.11
(f) Minimum alternate tax credit entitlement	105.60	-	-	105.60
(g) Measurement of financial assets and financial liabilities at amortised cost	22.07	-	(21.73)	0.34

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Notes to the financial statements for the period ended March 31, 2023

(All amounts in ₹ in lakhs, unless stated otherwise)

(i) Preliminary expenses	0.45	-	(0.20)	0.25
	547.49	**(2.41)**	**682.48**	**1,227.56**
Tax effect of items constituting deferred tax liabilities:				
(i) Employee benefits	-	-	-	-
(j) Provision for 36(1)(viia)	9.66	-	(0.75)	8.91
	9.66	**-**	**(0.75)**	**8.91**
Net deferred tax asset	**537.83**	**(2.41)**	**683.23**	**1,218.65**

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Notes to the financial statements for the period ended March 31, 2023
(All amounts in ₹ in lakhs, unless stated otherwise)

11 Property, plant and equipment

Gross Block	Computer equipment	Office Equipment	Furniture & Fixtures	Vehicle	Right of use asset[2]	Total
Balance as at March 31, 2021	**19.65**	**3.24**	**5.77**	-	**86.49**	**115.15**
Aquired through business combination	**322.14**	**69.34**	**116.16**	-	**248.74**	**756.38**
Additions	91.23	9.68	5.47	14.30	122.88	243.56
Adjustments during the year	1.75	8.43	29.74	-	10.75	50.67
Balance as at March 31, 2022	**431.27**	**73.83**	97.66	**14.30**	**447.36**	1,064.42
Additions	29.75	10.54	29.99	13.22	79.20	162.70
Disposals	(88.58)	(4.82)	(6.10)	-	(68.53)	(168.03)
Balance as at March 31, 2023	**372.48**	**79.50**	121.55	27.52	**458.03**	1,059.08
Accumulated depreciation						
Balance as at March 31, 2021	**10.37**	**0.82**	**2.19**	-	**17.40**	**30.78**
Aquired through business combination	**261.12**	**53.52**	**76.50**	-	**126.82**	**517.96**
Depreciation charge for the year	69.67	10.24	12.16	3.13	108.33	203.53
Adjustment on account of disposals	(1.05)	(7.71)	(25.00)	-	(5.34)	(39.10)
Balance as at March 31, 2022	**340.11**	**56.87**	**65.85**	**3.13**	**247.21**	**713.18**
Depreciation charge for the period	56.75	8.08	9.64	6.78	92.47	173.72
Adjustment on account of disposals	(82.33)	(3.99)	(4.75)	-	(35.86)	(126.93)
Balance as at March 31, 2023	**314.53**	**60.96**	**70.74**	**9.91**	**303.82**	**759.97**
Net block						
Balance as at March 31, 2022	91.16	16.96	31.81	-	200.15	351.24
Balance as at March 31, 2023	57.95	18.54	50.81	17.61	154.21	299.12

 # Intangible assets

Gross Block	Software*	Total
Balance as at March 31, 2021	**9.86**	**9.86**
Aquired through business combination	**20.46**	**20.46**
Additions	-	-
Adjustments during the year	-	-
Balance as at March 31, 2022	**30.32**	**30.32**
Additions	-	-
Disposals	-	-
Balance as at March 31, 2023	**30.32**	**30.32**
Accumulated depreciation		
Balance as at March 31, 2021	**2.51**	**2.51**
Aquired through business combination	**20.46**	**20.46**
Depreciation charge	1.47	1.47
Disposals	-	-
Balance as at March 31, 2022	**24.44**	**24.44**
Depreciation charge	1.18	1.18
Disposals	-	-
Balance as at March 31, 2023	**25.62**	**25.62**
Net block		
Balance as at March 31, 2022	5.88	5.88
Balance as at March 31, 2023	4.70	4.70

*** Operating system for computers.**

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Note 13: Other non-financial assets

Particulars	As at March 31, 2023	As at March 31, 2022
Advances recoverable in cash or in kind or for value to be received	42.66	19.83
Balance with government authorities	-	22.06
Prepaid expenses	297.38	232.07
	340.04	273.96

Note 14: Trade payable

Particulars	As at March 31, 2023	As at March 31, 2022
Trade Payables		
(i) total outstanding dues of MSMEs	10.42	10.42
(ii) total outstanding dues of creditors other than MSMEs	279.61	235.67
	290.03	**246.09**
Other Payables		
(i) total outstanding dues of MSMEs	-	-
(ii) total outstanding dues of creditors other than MSMEs	-	
	-	-
Total	**290.03**	**246.09**

Trade Payables ageing schedule as on 31st March,2023

Particulars	Outstanding for following periods from due date of payment			
	Less than 1 year	1-2 years	2-3 Years	More than 3 years
(i) MSME	10.42	-	-	-
(ii) Others	271.67	5.47	1.94	0.54
(iii) Disputed dues – MSME	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-
(v) Unbilled dues	-	-	-	-
Total	**282.09**	**5.47**	**1.94**	**0.54**

Trade Payables ageing schedule as on 31st March,2022

Particulars	Outstanding for following periods from due date of payment			
	Less than 1 year	1-2 years	2-3 Years	More than 3 years
(i) MSME	10.42	-	-	-
(ii) Others	205.59	20.92	8.79	0.36
(iii) Disputed dues – MSME	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-
(v) Unbilled dues	-	-	-	-
Total	**216.01**	**20.92**	**8.79**	**0.36**

#: There are no cases where no due date of payment is specified.
##: There is no cases of transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.

Note 15: Debt securities (at amortised cost)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-convertible debentures	553.09	550.38
	553.09	**550.38**
Debt securities in India	553.09	550.38
Debt securities outside India	-	-
	553.09	**550.38**
Unamortised Processing Fees	0.50	2.36
Accrued Interest	53.59	52.74

Particulars	Terms of Repayment	As at March 31, 2023	As at March 31, 2022
Non-convertible debentures (secured)			
50 (March 31, 2022: 50), @15.75% (Previous year : 15.50%), rated, unlisted, fully paid up, senior, secured, redeemable, taxable, non-convertible debentures of face value of ₹ 1,0,00,000 each, The date of allotment is June, 29, 2020. (Secured by way of hypothecation of first ranking, exclusive and continuing charge on book debt which shall be maintained at 110% of principal including interest accrued amount of the debentures outstanding.)	Redeemable at par on June 29, 2023	553.09	550.38

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Note 16: Borrowings (other than debt securities)

Particulars	As at March 31, 2023	As at March 31, 2022
Term loans from bank (At amortised Cost)		
Secured#	2,942.11	1929.27
Unsecured	-	0.17
Term loans from financial institutions(At amortised Cost)		
Secured##	9,940.15	5,104.93
Unsecured	-	19.65
Loan from related parties (unsecured)	3,350.00	3,550.00
Lease liability	169.22	218.05
	16,401.48	10,822.07
Borrowings in India	16,401.48	10,822.07
Borrowings outside India	-	-
	16,401.48	10,822.07

Secured by way of Hypothecation of book debt to the extent of 125% of the value of the loan outstanding and Secured by way of Hypothecation of Vehicles.

##Secured by way of Hypothecation of book debt to the extent of 100% to 110% of the value of the loan outstanding.

###: There are no instances where the company has not used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date.

###Quarterly returns or statements filed by the company with banks or financial institutions are in agreement with the books of account.

Unsecured term credit facility from bank includes credit card outstanding issued by RBL bank.

Loan from related parties includes loan from holding company which is a revolving credit facility against total sanctioned limit of Rs. 4,000 lakh. The same is unsecured, repayble on demand. The rate of interest is 13.75%

Unamortised Processing Fees	125.31	85.25
Accrued Interest	50.08	22.30

Reconciliation of liabilities arising from financing activities

The changes in the Company's liabilities arising from financing activities can be classified as follows:

Particulars	Borrowings & Debt securities	Liability against leased assets	Total
March 31, 2021	**5,685.03**	**202.87**	**5,887.89**
Adoption of Ind AS 116	-	122.88	122.88
Cash flows:			
- Repayment	(3,126.65)	(127.45)	(3,254.10)
- Proceeds from overdraft facility	-	-	-
- Proceeds other than overdraft facility	8,664.80	-	8,664.80
- Others	(1.54)	-	(1.54)
Non cash:			
- Conversion of Optionally Convertible, Redeemable Preference Shares	-	-	-
- Foreign exchange	-	-	-
- Amortisation of upfront fees and others	(67.22)	-	(67.22)
- Others	-	19.75	19.75
March 31, 2022	**11,154.41**	**218.05**	**11,372.47**
Adoption of Ind AS 116	-	79.20	79.20
Cash flows:			-
- Repayment	(5,834.55)	(108.91)	(5,943.46)
- Proceeds from overdraft facility	0.20	-	0.20
- Proceeds other than overdraft facility	11,465.30	-	11,465.30
- Others	28.63	-	28.63
Non cash:			-
- Conversion of Optionally Convertible, Redeemable Preference Shares	-	-	-
- Foreign exchange	-	-	-
- Amortisation of upfront fees and others	(38.20)	-	(38.20)
- Others	9.56	(19.12)	(9.56)
March 31, 2023	**16,785.35**	**169.22**	**16,954.56**

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Note 16A: Terms of principal repayment of Debt Securities & Other Borrowings as at March 31, 2023

Original maturity of loan	Interest rate	Due within 1 year		Due between 1 to 2		Due between 2 to 3		Due beyond 3 Years		Total
		No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	
Monthly	Below 9.00%	24	7.42	18	5.19	12	2.68	15	3.66	**18.95**
	9% to 12%	36	875.00	24	687.50	10	402.97	-	-	**1,965.47**
	12.01% to 15%	237	3,785.00	183	2,619.80	86	979.49	-	-	**7,384.29**
	Above 15%	59	1,137.91	58	1,253.04	40	947.83	-	-	**3,338.78**
Quarterly	12.01% to 15%	4	166.67	2	83.33	-	-	-	-	**250.00**
Bullet	12.01% to 15%	-	-	-	-	-	-	2	3,350.00	**3,350.00**
	Above 15%	1	500.00	-	-	-	-	-	-	**500.00**
Total		**361**	**6,472.00**	**285**	**4,648.86**	**148**	**2,332.97**	**17**	**3,353.66**	**16,807.49**

Terms of principal repayment of Debt Securities & Other Borrowings as at March 31, 2022

Original maturity of loan	Interest rate	Due within 1 year		Due between 1 to 2		Due between 2 to 3		Due beyond 3 Years		Total
		No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	
Monthly	Below 9.00%	12	4.74	12	5.11	6	2.70	-	-	**12.55**
	9% to 12%	11	458.33	12	500.00	12	500.00	11	458.33	**1,916.66**
	12.01% to 15%	142	2,299.49	109	1,625.25	58	614.26	13	232.09	**4,771.09**
Quarterly	12.01% to 15%	4	166.67	4	166.67	2	83.33	0	-	**416.67**
Bullet	12.01% to 15%	-	-	0	-	0	-	2	3,550.00	**3,550.00**
	Above 15%	-	-	1	500.00	-	-	-	-	**500.00**
Total		**169**	**2,929.23**	**138**	**2,797.03**	**78**	**1,200.29**	**26**	**4,240.42**	**11,166.97**

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Note 17: Other financial liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Other payable	14.89	10.48
Expenses payable	256.60	151.77
Insurance Payable	-	3.90
Security deposit received from customers	-	62.47
Total	**271.49**	**228.62**

Note 18: Provisions

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for compensated absences	120.25	130.32
Provision for gratuity	59.87	31.04
Provision for first loss default guarantee	1,347.45	1,321.31
Total	**1,527.57**	**1,482.67**

*-Company has made provision on account of compensated absences based on Expert Opinion and Actuarial Valuation considering Basic Salary of employees.

Note 19: Other non-financial liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred income	-	1.58
Statutory dues payable	107.67	107.18
Total	**107.67**	**108.76**

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20 Equity share capital

	As at March 31, 2023	As at March 31, 2022
Authorised equity share capital		
140,514,900 (31 March 2022: 140,514,900) Equity shares of ₹10 each	14,051.49	14,051.49
	14,051.49	**14,051.49**
Issued and subscribed		
140,514,859 (31 March 2022: 140,514,859) Equity shares of ₹10 each	14,051.49	14,051.49
	14,051.49	14,051.49
Paid up equity share capital		
140,514,859 (31 March 2022: 102,500,000) Equity shares of ₹10 each	14,051.49	10,250.00
	14,051.49	**10,250.00**

i) Rights, preferences and restrictions attached to equity shares:
The company has only one class of equity shares having par face value of₹ 10 per share. Each equity shareholder is eligible for one vote per share held. Any dividend, if proposed by the Board of Directors, is subject to the approval of shareholders. Dividend declared and paid would be in Indian rupees. Dividends are subject to corporate dividend tax. In the event of liquidation of the Company, the holders of equity share will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.
The Authorised Share Capital, Issued and subscribed Share Capital is increased due to effect of Merger of Taraashna Financial Services Limited with Satin Finserv Limited as approved by NCLT Chandigarh Bench by order dated January 31, 2023 which has appointed date & effective date are April 01, 2021 & March 01, 2023 respectively. The paid-up share capital of the Company has been increased during the year as required under the scheme of arrangement approved by the NCLT Chandigarh Bench by order dated January 31, 2023 which has appointed date & effective date are April 01, 2021 & March 01, 2023 respectively.

ii) Reconciliation of equity shares outstanding at reporting year end date	No. of shares	₹	No. of shares	₹
Equity share capital of ₹ 10 each fully paid up	March 31, 2023		March 31, 2022	
Balance at the beginning of the year	10,25,00,000	10,250.00	10,25,00,000	10,250.00
Add: Issued during the year	3,80,14,859	3,801.49	-	-
Balance at the end of the year	**14,05,14,859**	**14,051.49**	**10,25,00,000**	**10,250.00**

iii) Equity shares held by holding/promoter company as at balance sheet date:

	March 31, 2023			March 31, 2022		
Equity share capital of Rs. 10 each fully paid up	No. of shares	% holding	% change during the year	No. of shares	% holding	% change during the year
Satin Creditcare Network Limited	14,05,14,859	100.00%	0.00%	10,25,00,000	100.00%	0.00%
	14,05,14,859	**100.00%**	0.00%	**10,25,00,000**	**100.00%**	**0.00%**

iv) Shareholders holding more than 5% of shares of the Company as at balance sheet date:

	March 31, 2023		March 31, 2022	
Equity share capital of Rs. 10 each fully paid up	No. of shares	% holding	No. of shares	% holding
Satin Creditcare Network Limited	14,05,14,859	100.00%	10,25,00,000	100.00%
	14,05,14,859	**100.00%**	**10,25,00,000**	**100.00%**

v) **The Company has neither issued equity shares pursuant to contract without payment being received in cash or any bonus shares nor has there been any buy-back of shares in the current year and five years immediately preceding the balance sheet date except pursuant to scheme of amalgamation as mentioned above.**

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(All amounts in ₹ in lakhs, unless stated otherwise)

21 Other equity

	As at March 31, 2023	As at March 31, 2022
Retained earnings	(1,318.99)	(1,752.82)
Statutory reserves @	309.79	145.51
Amalgamation reserve#	725.23	725.23
Share capital pending allotment#	-	3,801.49
Total Other Equity	(283.97)	**2,919.42**

@ Statutory reserves

The reserve is created as per the provision of Section 45(IC) of Reserve Bank of India Act, 1934. This is a restricted reserve and no appropriation can be made from this reserve fund except for the purpose as may be prescribed by Reserve Bank of India.

The Hon'ble NCLT in its hearing dated January 31, 2023 has approved the Scheme of Arrangement for Amalgamation of TFSL and SFL. After requisite filing with concerned ROC, the said Scheme got effective from March 01, 2023. The Appointed Date of Scheme is April 01, 2021. By the effect of Appointed Date (i.e. April 01, 2021), the financial numbers of Satin Finserv Limited for the financial year ended March 31, 2022 are also restated due to amalgamation of Taraashna Financial Services Limited (transferor) with Satin Finserv Limited (transfree)"

The Transferee Company has issued its shares to the shareholders of Transferor Company in consideration for amalgamation of Transferor Company with Transferee Company shares in proportion of 237 (Two Hundred Thirty Seven) Equity Shares of Face Value of Rs. 10 (Rupees Ten) only each in Transferee Company for every 100 (One Hundred) Equity shares of face value of Rs. 10/- (Rupees Ten) only each held by them in "Transferor Company-" pursuant to this Scheme of Amalgamation.

Particulars	Amount (Rs. In lac)
Net assets received	4,526.71
Equity share capital (as per approved scheme)	3,801.49
Amalgamation Reserve	725.23

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Note 22: Interest Income (measured at amortised cost)

Particulars	For the period ended March 31, 2023	For the year ended March 31, 2022
Interest income on portfolio loans	3,874.10	2,565.28
Interest income on deposits, certificate of deposits and commercial papers	291.68	336.96
Net gain/(loss) on liquid funds	-	-
Other Interest Income		
Interest Income on Security Deposits	-	-
Interest Income on refund of Security Deposits	-	-
	4,165.78	**2,902.24**

Note 23: Fees and commission income

Particulars	For the period ended March 31, 2023	For the year ended March 31, 2022
Income from business correspondents operations	6,160.56	6,393.86
Documentation charges	130.44	49.96
Login Fee Income	91.43	41.05
	6,382.43	**6,484.87**

Note 24: Net gain on fair value changes

Particulars	For the period ended March 31, 2023	For the year ended March 31, 2022
Net gain/ (loss) on financial instruments at fair value through profit or loss		
- Mutual Funds	0.19	-
Total Net gain/(loss) on fair value changes	**0.19**	-
Fair Value Changes:	-	-
-Realised	0.19	-
Total Net gain/(loss) on fair value changes	**0.19**	-

Note 25: Other Income

Particulars	For the period ended March 31, 2023	For the year ended March 31, 2022
Miscellaneous income	77.64	297.46
Reversal of shares based payments (ESOP)	-	5.76
Interest income on security deposits	0.72	1.50
Net gain on derecognition of property, plant and equipment	7.00	2.75
Foreclosure charges received	16.92	16.08
	102.28	**323.55**

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Note 26: Finance cost (on financial liabilities measured at amortised cost)

Particulars	For the period ended March 31, 2023	For the year ended March 31, 2022
Interest on borrowings		
Interest on borrowings other than debt securities	1,449.28	1,040.09
Interest on debt securities	78.45	77.50
Interest on borrowings from bank	222.57	62.92
Other interest expenses	78.99	46.33
Interest expense on lease liability	19.69	23.84
Interest on taxes	0.59	-
	1,849.57	**1,250.68**

Note 27: Impairment on financial instruments (on financial assets measured at amortised cost)

Particulars	For the period ended March 31, 2023	For the year ended March 31, 2022
Allowance for expected credit loss	21.25	317.34
Portfolio loans written off	356.80	97.60
	378.05	**414.94**

Note 28: Employee benefit expenses

Particulars	For the period ended March 31, 2023	For the year ended March 31, 2022
Salaries, wages and bonus	4,851.39	5,137.73
Contribution to provident and other funds	435.62	508.68
Staff welfare expenses	47.76	40.21
	5,334.77	**5,686.62**

Note 29: Depreciation and amortization expense

Particulars	For the period ended March 31, 2023	For the year ended March 31, 2022
Depreciation on property, plant and equipment	81.24	95.19
Amortisation on intangible assets	1.18	1.47
Amortisation on right of use assets	92.47	108.33
	174.89	**204.99**

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Note 30: Other expenses

Particulars	For the period ended March 31, 2023	For the year ended March 31, 2022
Bank charges	5.35	1.69
Rent	179.37	185.08
Travelling and conveyance	181.52	140.32
Repair and maintainance	17.28	17.60
Printing and stationery	77.64	80.79
Communication cost	79.60	68.19
Insurance charges	68.12	83.05
Website and email maintainance charges	167.00	147.05
Rates and taxes	110.34	91.16
Electricity charges	37.23	36.17
Freight and cartage	-	-
Auditor's remuneration*	20.93	22.83
Business promotion	5.46	4.63
Commission paid**	48.30	17.88
Legal and professional charges	191.35	151.59
CSR expenditure	-	7.42
Director sitting fees	4.25	4.91
Balance write off	37.86	12.18
Office expenses	130.90	168.72
Write off against first loss default guarantee	671.94	2,929.82
First loss default guarantee expenses	26.14	406.35
Postage & courier	24.94	28.32
Miscellaneous expenses	6.49	17.85
Full & final settlement with BC partner	-	227.39
	2,092.01	**4,850.99**

Note*: Auditors remuneration includes payments as follows:

(a)	Statutory audit	9.00	10.00
(b)	Tax audit	3.00	5.00
(c)	Certification fee and other services	8.93	7.83
	Total	**20.93**	**22.83**

**	It includes Foreign Currency payment	13.56	-

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	For the year ended March 31, 2023	For the year ended March 31, 2022
Note 31: Earning per Share		
Net profit/(Loss) for the year	606.30	(2,009.68)
Weighted average number of equity shares for EPS	14,05,14,859	14,05,14,859
Par value per share (in RS.)	10	10
Basic Earnings per share (in RS.)	**0.43**	**(1.43)**
Nominal value of equity share (₹)	**10.00**	**10.00**
Weighted average number of equity shares used to compute diluted earnings per share	14,05,14,859	14,05,14,859
Diluted Earnings per share (in RS.)	**0.43**	**(1.43)**
Note 32: Tax Expense		
Current tax (including taxes earlier years)	116.86	-
Minimum alternate tax credit entitlement	(116.85)	-
Deferred tax expense/(credit)	215.09	(687.88)
	215.10	(687.88)

The major components of income tax expense and the reconciliation of expense based on the domestic effective tax rate of at 27.82% and the reported tax expense in profit or loss are as follows:

Accounting profit before income tax	**821.40**	**(2,697.56)**
At country's statutory income tax rate of 27.82% (March 31, 2023: 27.82%)	228.51	(750.46)
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense		
(i) Tax impact of expenses which is non deductible	0.03	1.03
(ii) Tax impact on items exempt under income tax	-	-
(iii) Impact of difference in tax rate on certain items	0.01	-
(iv) Preliminary expenses allowed	0.25	0.25
(v) Others	(13.71)	61.30
	215.10	(687.88)

Note 33: Leases

The Company has taken various office premises under lease arrangements. Generally, the lease term varies from 11 months to 60 months and is renewable under mutually agreed terms between lessee and lessor and there is no exclusive right to the company. The company has considered leases having initial lease term of upto 12 months as short term leases as per para 6 of Ind AS 116 and thier expenses have been recognised as Rent under note 30. For all other leases having lease term of more than 12 months a right of use asset is recognised with a corresponding lease liability. The right of use asset is disclosed under Property, Plant and Equipement and lease liability is disclosed under Borrowings. Further disclosures as on March 31, 2023 are as follows:

1 The table below describes the nature of the Company's leasing activities by type of right-of-use asset recognised on balance sheet:

Particulars	Right of use asset Office Premises	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Total number of leases	184	175
Number of leases considered as short term leases	135	114
No. of right-of use assets leased	49	61
Range of remaining term	Upto 55 months	Upto 34 months
Average remaining lease term	8 months	9 months
No. of leases with extension options	0	8
No. of leases with purchase options	0	0
No. of leases with variable payments linked to an index	0	0
No. of leases with termination options	184	175

2 Additional information on the right-of-use assets by class of assets is as follows:

Particulars	Righ of use asset Office Premises
Carrying amount as on March 31, 2022	200.15
Addition	79.20
Depreciation	92.47
Deletion	32.67
Carrying amount as on March 31, 2023	154.22

3 Lease liabilities are presented in the statement of financial position as follows:

Particulars	March 31, 2023	March 31, 2022
Current	68.56	91.00
Non-current	100.67	127.05
Total	**169.22**	**218.05**

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4 At 31 March 2023 the Company do not have any committed leases which had not yet commenced.

5 The undiscounted maturity analysis of lease liabilities at 31 March 2023 is as follows:

Particulars	Lease payments	Finance charges	Net present values
Within 1 year	84.52	15.97	68.55
1-2 years	56.62	9.40	47.22
2-3 years	33.18	4.81	28.37
3-4 years	17.66	2.26	15.40
4-5 years	10.27	0.59	9.68
Total	**202.26**	**33.04**	**169.22**

The undiscounted maturity analysis of lease liabilities at 31 March 2022 is as follows:

Particulars	Lease payments	Finance charges	Net present values
Within 1 year	109.13	18.13	91.00
1-2 years	76.07	9.83	66.24
2-3 years	66.16	5.35	60.81
Total	**251.36**	**33.31**	**218.05**

The Company has elected not to recognise a lease liability for short term leases (leases of expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognised as lease liabilities and are expensed as incurred.The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

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

6 **Operating leases**

The Company has taken on lease certain assets under operating lease arrangements. The contractual future minimum lease payment obligation in respect of these leases are as under:

Office premises

Particulars	March 31, 2023	March 31, 2022
Short term leases	179.37	186.34
Leases of low value assets	-	-
Variable lease payments	-	-
Total	**179.37**	**186.34**
Minimum lease obligations:		
- within one year	68.55	91.00
- Later than one year but not Later than five years	100.67	127.05
- Later than five years	-	-

7 The Company had total cash outflows for leases of Rs. 287.5 lakh in March 31, 2023 (Rs. 308.79 lakh in March 31, 2022).

8 The following are the amounts recognised in profit or loss:

Particulars	March 31, 2023	March 31, 2022
Depreciation expense of right-of-use assets	92.47	107.02
Interest expense on lease liabilities	19.69	23.84
Expense relating to short-term leases (included in other expenses)	179.37	186.34
Expense relating to leases of low-value assets (included in other expenses)	-	-
Variable lease payments (included in other expenses)	-	-
Total amount recognised in profit or loss	**291.53**	**317.20**

9 The Company has lease contracts for office buildings used in its operations. Leases of these buildings generally have lease terms between 11 months and 5 years years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets. There are several lease contracts that include extension and termination options, which are further discussed below.

The Company has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Company's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

10 The Company does not have any lease contracts that contains variable payments.

11 Set out below are the undiscounted potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term:

2023

Particulars	Within five years	More than five years	Total
Extension options expected not to be exercised (Count)	-	-	-
Termination options expected to be exercised (Count)	-	-	-
Extension options expected not to be exercised (Amount in Lakhs)	-	-	-
Termination options expected to be exercised (Amount in Lakhs)	-	-	-

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2022			
Particulars	Within five years	More than five years	Total
Extension options expected not to be exercised (Count)	-	-	-
Termination options expected to be exercised (Count)	-	-	-
Extension options expected not to be exercised (Amount in Lakhs)	-	-	-
Termination options expected to be exercised (Amount in Lakhs)	-	-	-

Note 34: Contingent Liabilities not provided for

No contingent liabilities as on 31st March 2023 (previous year Nil). Estimated amount of contracts remaining to be executed on capital account is Nil (previous year Nil). Other commitments is Nil as on 31st March 2022 (previous year Nil).

34.1 Estimates

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

34.2 Classification and measurement of financial assets and liabilities

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

Financial assets is measured using effective interest method by assessing its contractual cash flow characteristics only on the basis of facts and circumstances existing at the date of transition and if it is impracticable to assess elements of modified time value of money i.e. the use of effective interest method, fair value of financial asset at the date of transition shall be the new carrying amount of that asset. The measurement exemption applies for financial liabilities as well.

Applying a requirement is impracticable when the entity cannot apply it after making every reasonable effort to do so. It is impracticable to apply the changes retrospectively if:

a) The effects of the retrospective application or retrospective restatement are not determinable;

b) The retrospective application or restatement requires assumptions about what management's intent would have been in that period;

The retrospective application or retrospective restatement requires significant estimates of amounts and it is impossible to distinguish objectively information about those estimates that existed at that time.

Note 35: Asset Under Management

The Company is also in the activity of business correspondent for various banks and NBFCs. The Company provides first and second loss default guarantees in the form of fixed deposits/guarantees for Assets Under Management as per business correspondent agreements signed with various banks and NBFCs.

The institutionwise Assets Under Management in books of company for business correspondence activity as on March 31, 2023 are as follows:

Name of Partner	March 31, 2023		March 31, 2022	
	AUM	FDR balance for FLDG	AUM	FDR balance for FLDG
Yes Bank Ltd.#	16,741.90	-	30,758.22	1,024.43
RBL Bank Ltd.	12.02	108.03	3,111.95	107.54
Reliance Commercial Finance Ltd.	759.03	169.34	761.77	619.57
Indusind Bank Ltd.	-	-	0.51	-
Northern Arc Capital Ltd.	-	-	20.90	-
Federal Bank	2,127.36	96.61	149.85	-
IDFC First Bank Ltd.	10,874.44	1,312.25	22,537.60	1,311.05
Jana Small Finance Bank Ltd.	12,788.76	943.08	12,615.88	698.58
CSB Bank Ltd.*	2,296.95	132.40	2,405.34	112.21
	45,600.46	2,761.72	72,362.02	3,873.37

FDR balance includes accrued interest.

#FDR of YBL is in process of transfer in the name of Satin Finserv Limited.

*In addition to FDR for FLDG company has provided corporate guarantee of Rs. 45.26 lac to CSB.

Note 36: Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

Particulars	As at March 31, 2023	As at March 31, 2022
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	10.42	10.42
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
The amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

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Note 37: Related party disclosures

In accordance with the requirements of Indian Accounting Standard – 24 the names of the related parties where control/ability to exercise significant influence exists, along with the aggregate amount of transactions and year end balances with them as identified and certified by the management are given below:

a. List of related parties and disclosures:

Description of relationship	Name of related parties
Holding company	Satin Creditcare Network Limited
Enterprises over which key management personnel and relatives of such personnel exercise significant influence with whom transactions have been undertaken:	Satin Neo Dimensions Pvt. Ltd.
Fellow subsidiary companies	Satin Housing Finance Limited

Key managerial personnel and their relatives:

Name of key managerial personnel	Designation	Relatives
Mr. H P Singh	Director	Mr. Satvinder Singh
		Mrs. Anureet H P Singh
Mr. Sumit Mukherjee	Director & CEO	-
Mr. Partha Mukherjee	Director	
Mr. Arjun Bansal	Chief Financial Officer	-
Mr. Rahul Garg*	Chief Financial Officer	-
Mr. Puneet Jolly	Company Secretary	-
Ms. Sneha Khanduja**	Company Secretary	-
Mr. Manoj Jasoria#	Company Secretary	-

b. Details of transactions with related parties carried out in the ordinary course of business:

Name of related party	Nature of transaction	For the period ended March 31, 2023	For the period ended March 31, 2022
Mr. H P Singh	Personal Guarantee given	2,750.00	2,000.00
Satin Creditcare Network Limited	Share based payments	-	-5.76
	Facilitation charges Income	12.00	5.00
	Technology sharing services expense	128.59	128.59
	Payment of rent for office space sharing	45.56	21.52
	Interest Paid	506.40	392.74
	Inter corporate loan taken	1,850.00	1,950.00
	Loan Repaid	2,050.00	500.00
	Income from business correspondents operations	1,043.60	870.01
Satin Neo Dimensions Pvt. Ltd.	Interest income on loan	11.72	20.16
	Repayment received against loan	52.46	43.94
Mr. Sumit Mukherjee	Remuneration	105.60	96.92
Mr. Partha Mukherjee (till August 31, 2022)	Remuneration	17.50	39.69
Mr.Arjun Bansal	Remuneration	23.49	16.63
Mr.Rahul Garg* (till February 28, 2023)	Remuneration	21.08	18.06
Mr. Puneet Jolly	Remuneration	15.08	13.00
Ms. Sneha Khanduja** (w.e.f. July 29 2022 till February 28, 2023)	Remuneration	3.18	-
Mr. Manoj Kumar Jasoria# (till January 31, 2022)	Remuneration	-	7.94

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c. **Outstanding balances with related parties in ordinary course of business:**

Name of related party	Nature of transaction	As at March 31, 2023	As at March 31, 2022
Satin Creditcare Network Limited	Fees for corporate guarantee	4.24	6.12
	Unbilled revenue	-	115.04
	Inter corporate loan Payable	3,350.00	3,550.00
Satin Neo Dimensions Pvt. Ltd.	Inter corporate loan Receivable	39.33	91.79
	Accrued Interest Receivable	0.55	1.28

Note:

1. Mr. H. P Singh, director of the company has given personal guarantee for term loan taken from bank. Outstanding as of March 31, 2023 is Rs. 3,965.47 Lakh (Previous Year: 19,16.67 Lakh)

d.

Key management personnel remuneration includes the following expenses:	For the year ended March 31, 2023	For the year ended March 31, 2022
Short-term employee benefits	185.93	197.50
Post-employment benefits	5.63	1.98
Other long term benefits	11.15	(4.06)
Total remuneration	**202.71**	**195.42**

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Note 38: Employee Benefits

The Company has adopted Indian Accounting Standard (Ind AS) - 19 on Employee Benefit as under :

Defined contribution plans

Provident fund

The Company has made ₹ 443.52 lakhs (March 31, 2022 ₹ 508.38 lakhs) contribution in respect of provident fund and other funds.

Defined benefit plans

A Gratuity

The Company has a defined benefit gratuity plan. Every employee is entitled to gratuity as per the provisions of the Payment of Gratuity Act, 1972. The liability of Gratuity is recognized on the basis of actuarial valuation. The scheme is funded by the Company and is managed partially by Life Insurance Corporation of India ("LIC") as we are in process of adding employees pursuant to scheme of amalgamation as mentioned in Note- 46

Risks associated with plan provisions

Salary increases	Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
Investment risk	If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
Discount rate	Reduction in discount rate in subsequent valuations can increase the plan's liability.
Mortality & disability	Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
Withdrawals	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

(i) Amount recognised in the balance sheet is as under:

Particulars	As at March 31, 2023	As at March 31, 2022
Present value of obligation	118.01	113.35
Fair value of plan assets	58.14	82.31
Net obligation recognised in balance sheet as provision	**(59.87)**	**(31.04)**

(ii) Amount recognised in the statement of profit and loss is as under:

Particulars	As at March 31, 2023	As at March 31, 2022
Current service cost	44.75	28.02
Net interest cost /(income)	(4.71)	0.30
Interest cost on defined benefit obligation	-	0.75
Net impact on profit (before tax)	**40.04**	**29.08**
Actuarial (gain)/loss recognised during the year	11.36	(8.65)
Amount recognised in the statement of profit and loss and other comprehensive income	**51.40**	**20.43**

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(All amounts in ₹ in lakhs, unless stated otherwise)

(iii) Movement in the present value of defined benefit obligation recognised in the balance sheet is as under:

Particulars	As at March 31, 2023	As at March 31, 2022
Present value of defined benefit obligation as at the beginning of year	113.36	118.15
Current service cost	44.75	28.02
Interest cost	1.28	7.99
Past service cost including curtailment gains/losses	-	(3.09)
Benefits paid	(52.74)	(57.59)
Actuarial loss/(gain) on obligation		
Actuarial (gain)/loss on arising from change in demographic assumption	-	-
Actuarial (gain)/loss on arising from change in financial assumption	(1.95)	(0.85)
Actuarial (gain)/loss on arising from experience adjustment	13.31	20.74
Present value of defined benefit obligation as at the end of the year	**118.01**	**113.36**

(iv) Major categories of plan assets (as percentage of total plan assets):

Particulars	As at March 31, 2023	As at March 31, 2022
Funds managed by insurer	100%	100%
Total	**100%**	**100%**

(v) Movement in the plan assets recognised in the balance sheet is as under:

Particulars	As at March 31, 2023	As at March 31, 2022
Fair value of plan assets at beginning of year	82.32	102.53
Actual return on plan assests	2.51	32.38
Employer's contribution	26.14	5.00
Benefits paid	(52.74)	(57.59)
Actuarial loss/(gain) on plan assets	-	-
Fair value of plan assets at the end of the year	**58.23**	**82.32**

(vi) Actuarial assumptions

Particulars	As at March 31, 2023	As at March 31, 2022
Discounting rate	7.39%	7.26%
Future salary increase	4.00%	4.00%
Retirement age (years)	60.00	60.00
Withdrawal rate		
Up to 30 years	56.21%	56.21%
From 31 to 44 years	43.75%	43.75%
Above 44 years	50.00%	50.00%
Weighted average duration	1.36	1.36

Mortality rates inclusive of provision for disability -100% of IALM (2012–14)

Gratuity is payable to the employees on death or resignation or on retirement at the attainment of superannuation age. To provide for these eventualities, the Actuary has used Indian Assured Lives Mortality (2012-14) Ultimate table.

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(All amounts in ₹ in lakhs, unless stated otherwise)

(vii) Sensitivity analysis for gratuity liability

Particulars	As at March 31, 2023	As at March 31, 2022
Impact of the change in discount rate		
Present value of obligation at the end of the year	**118.01**	**113.36**
- Impact due to increase of 0.50 %	(7.91)	(0.86)
- Impact due to decrease of 0.50 %	8.79	0.88
Impact of the change in salary increase		
Present value of obligation at the end of the year	**118.01**	**113.36**
- Impact due to increase of 0.50 %	9.05	0.90
- Impact due to decrease of 0.50 %	(8.19)	(0.89)

Sensitivities due to mortality and withdrawals are not material and hence impact of change due to these is not calculated.

Sensitivities as to rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable.

(viii)

Maturity profile of defined benefit obligation	As at March 31, 2023	As at March 31, 2022
0 to 1 year	3.03	35.89
1 to 2 year	2.38	24.62
2 to 3 year	2.55	13.81
3 to 4 year	3.34	7.74
4 to 5 year	3.72	4.30
5 to 6 year	3.13	2.37
6 year onwards	99.87	7.05

B Compensated absences (non-funded)

(i) **Amount recognised in the balance sheet is as under:**

Particulars	As at March 31, 2023	As at March 31, 2022
Present value of obligation	120.25	130.32
Fair value of plan assets	-	-
Net obligation recognised in balance sheet as provision	**120.25**	**130.32**

(ii) **Amount recognised in the statement of profit and loss is as under:**

Particulars	As at March 31, 2023	As at March 31, 2022
Total service cost	54.74	61.69
Net interest cost on defined benefit obligation	1.93	14.30
Net actuarial (gain)/loss recognised during the year	(2.36)	(75.72)
Amount recognised in the statement of profit and loss	**54.30**	**0.27**

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Notes to the financial statements for the period ended March 31, 2023

(All amounts in ₹ in lakhs, unless stated otherwise)

Note 39: Financial instruments

A **Financial assets and liabilities**

The carrying amounts and fair values of financial instruments by category are as follows:

Particulars	Notes to schedule	As at March 31, 2023	As at March 31, 2022
Financial assets measured at amortised cost			
Cash and Cash equivalents	4	3,878.47	2,537.76
Bank balances other than cash and cash equivalents	5	3,161.44	4,276.24
Receivables	6	298.33	36.69
Loans	7	22,126.34	16,182.79
Security deposits	8	29.13	138.36
Other financial assets	8	660.95	764.57
Total		**30,154.66**	**23,936.41**
Financial liabilities measured at amortised cost			
Payables	14	290.03	246.09
Debt securities	15	553.09	550.38
Borrowings (other than debt securities)	16	16,232.26	10,604.02
Other financial liabilities	17	271.49	228.62
Total		**17,346.87**	**11,629.11**

B **Fair values hierarchy**

The fair value of financial instruments as referred to in note (A) above has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities [Level 1 measurements] and lowest priority to unobservable inputs [Level 3 measurements].

The categories used are as follows:

Level 1: Quoted prices (unadjusted) for identical instruments in an active market;

Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and

Level 3: Inputs which are not based on observable market data (unobservable inputs).

Company does not have any assets measured at fair value.

B.1 **Fair value of instruments measured at amortised cost**

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Cash and Cash equivalents	3,878.47	3,878.47	2,537.76	2,537.76
Bank balances other than cash and cash equivalents	3,161.44	3,161.44	4,276.24	4,276.24
Receivables	298.33	298.33	36.69	36.69
Loans	22,126.34	23,299.24	16,182.79	16,868.73
Security deposits	29.13	29.13	138.36	138.36
Other financial assets	660.95	660.95	764.57	764.57
Total	**30,154.66**	**31,327.56**	**23,936.41**	**24,622.35**
Financial liabilities				
Payables	290.03	290.03	246.09	246.09
Debt securities	553.09	553.09	550.38	550.38
Borrowings (other than debt securities)	16,232.26	16,232.26	10,604.02	10,604.02
Other financial liabilities	271.49	271.49	228.62	228.62
Total	**17,346.87**	**17,346.87**	**11,629.11**	**11,629.11**

The management assessed that fair values of cash and cash equivalents, other bank balances, trade receivables, other financial assets, trade payables and other financial liabilities approximate their respective carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

(i) Long-term fixed-rate receivables are evaluated by the Company based on parameters such as interest rates, individual creditworthiness of the customer and other market risk factors.

(ii) The fair values of the Company's fixed interest bearing loans and receivables are determined by applying discounted cash flows ('DCF') method, using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at March 31, 2023 was assessed to be insignificant.

(iii) The fair values of the Company fixed interest-bearing debt securities, borrowings and subordinalted liabilities are determined by applying discounted cash flows ('DCF') method, using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at March 31, 2023 was assessed to be insignificant.

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Notes to the financial statements for the period ended March 31, 2023

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Note 40: Financial risk management

i) Risk Management

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's board of directors has overall responsibility for the establishment and oversight of the Company risk management framework. The Company's risk are managed by a treasury department under policies approved by the board of directors. The board of directors provides written principles for overall risk management. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, loans, financial assets measured at amortised cost.	Ageing analysis	Bank deposits, diversification of asset base, credit limits and collateral.
Liquidity risk	Borrowings, debt securities, subordinated liabilities, and other financial liabilities.	Rolling cash flow forecasts.	Availability of committed credit lines and borrowing facilities.
Market risk - interest rate	Borrowings, debt securities and subordinated liabilities at variable rates.	Sensitivity analysis.	Negotiation of terms that reflect the market factors.
Market risk - security price	Investments in equity securities, mutual funds, certificate of deposits and commercial papers	Sensitivity analysis	Diversification of portfolio, with focus on strategic investments

The Company's risk management is carried out under the policies approved by the board of directors. The board of directors provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

A) **Credit risk**

Credit risk is the risk that a counterparty fails to discharge its obligation to the Company. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, loan assests, and other financial assets measured at amortised cost. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

a) **Credit risk management**

The Company assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

(i) Low credit risk on financial reporting date
(ii) Moderate credit risk
(iii) High credit risk

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

Asset Company	Basis of categorisation	Provision for expected credit loss
Low credit risk	Cash and cash equivalents, other bank balances, investments, loans and other financial assets	12 month expected credit loss
Moderate credit risk	Loans, trade receivables and other financial assets	Life time expected credit loss or 12 month expected credit loss
High credit risk	Loans and other financial assets	Life time expected credit loss fully provided for

Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Assets are written off when there is no reasonable expectation of recovery, such as a borrower declaring bankruptcy or a litigation decided against the Company. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.

Financial assets that expose the entity to credit risk*

Particulars	As at March 31, 2023	As at March 31, 2022
(i) **Low credit risk on financial reporting date**		
Bank Balance in current accounts & in Fixed Deposits	3,199.71	1,917.56
Bank balances other than above	3,161.44	4,276.24
Security deposits	29.13	138.36
Other financial assets	660.95	764.57
Receivables	298.33	36.69
Loans	21,259.10	15,351.49
(ii) **Moderate credit risk**	527.41	486.73
(iii) **High credit risk**	916.50	899.99

* These represent gross carrying values of financial assets, without deduction for expected credit losses

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Cash and cash equivalents and bank deposits

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

Receivables

Trade receivables measured at amortized cost and credit risk related to these are managed by monitoring the recoverability of such amounts continuously.

Other financial assets

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

Loans

Credit risk related to borrower's are mitigated by considering collateral's/bank guarantees/letter of credit, from borrower's. The Company closely monitors the credit-worthiness of the borrower's through internal systems and project appraisal process to assess the credit risk and define credit limits of borrower, thereby, limiting the credit risk to pre-calculated amounts. These processes include a detailed appraisal methodology, identification of risks and suitable structuring and credit risk mitigation measures. The Company assesses increase in credit risk on an ongoing basis for amounts loan receivables that become past due and default is considered to have occurred when amounts receivable become 90 days past due.

b) Expected credit losses for financial assets other than loans

i) Company provides for expected credit losses on financial assets by assessing individual financial instruments for expectation of any credit losses:

- For cash and cash equivalents and other bank balances - Since the Company deals with only high-rated banks and financial institutions, credit risk in respect of cash and cash equivalents, other bank balances and bank deposits is evaluated as very low.
- For investments - Considering the investments are in mutual funds, certificate of depsoits and Government securities, credit risk is considered low.
- For loans comprising security deposits paid - Credit risk is considered low because the Company is in possession of the underlying asset.
- For other financial assets - Credit risk is evaluated based on Company's knowledge of the credit worthiness of those parties and loss allowance is measured for 12 month expected credit losses upon initial recognition and provide for lifetime expected credit losses upon significant increase in credit risk. The Company does not have any expected loss based impairment recognised on such assets considering their low credit risk nature, though the reconciliation of expected credit loss for all sub categories of financial assets (other than loans) are disclosed below:

As at March 31, 2023	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Bank Balance in current accounts & in Fixed Deposits	3,199.71	0%	-	3,199.71
Bank balances other than above	3,161.44	0%	-	3,161.44
Security deposits	29.13	0%	-	29.13
Other financial assets	660.95	0%	-	660.95
Receivables	298.33	0%	-	298.33

As at March 31, 2022	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Bank Balance in current accounts & in Fixed Deposits	1,917.56	0%	-	1,917.56
Bank balances other than above	4,276.24	0%	-	4,276.24
Security deposits	138.36	0%	-	138.36
Other financial assets	764.57	0%	-	764.57
Receivables	36.69	0%	-	36.69

ii) The company has off books portfolio of loans which is being managed on behalf of principle partners. The company has provide fixed deposits to the principle partners against first loss defaul guarantee. The said fixed deposits are lien marked to the concerned principle partners.
The company records first loss default guarantee liablity based on contract terms with each principle partners as on each reporting date. Along with first loss default guarantee liability the company also recognzie loss allowance measured on lifetime expected credit loss as on each reporting date.

iii) Expected credit loss for loans

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

A financial instrument that is not credit-impaired on initial recognition is classified in 'Stage 1' and has its credit risk continuously monitored by the Company i.e. the default in repayment is within the range of 0 to 30 days.

If a significant increase in credit risk ('SICR') since initial recognition is identified, the financial instrument is moved to 'Stage 2' but is not yet deemed to be credit-impaired i.e. the default in repayment is within the range of 31 to 90 days.

If the financial instrument is credit-impaired, the financial instrument is then moved to 'Stage 3' i.e. the default in repayment is more than 90 days.

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

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As a part of a qualitative assessment of whether a customer is in default, the Company also considers a variety of instances that may indicate unlikeliness to pay. When such events occur, the Company carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate. Such events include:

(i) The borrower is deceased

(ii) A material decrease in the underlying collateral value where the recovery of the loan is expected from the sale of the collateral

(iii) A material decrease in the borrower's turnover or the loss of a major customer

(iv) The borrower requesting emergency funding from the Company

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

Forward-looking economic information (including management overlay) is included in determining the 12-month and lifetime PD, EAD and LGD. The assumptions underlying the expected credit loss are monitored and reviewed on an ongoing basis.

Considering, the Company has started business from January 2019 and does not have history and there are no loan balances which has become 90 days past due and hence, provisioning norms are been used to make provision for loan assets, with a background of management overlay.

Changes in the gross carrying amount and the corresponding ECL allowances in relation to loans from beginning to end of reporting period:

Particulars	Stage 1 (0-30 days)	Stage 2 (31-90 days)	Stage 3 (More than 90 Days)
Gross carrying amount as at March 31, 2021	12,418.88	456.51	223.53
Assets originated or purchased	8,650.88	56.09	121.26
Net transfer between stages			
Transfer to stage 1	35.97	(35.97)	-
Transfer to stage 2	(530.94)	530.94	-
Transfer to stage 3	(315.12)	(290.37)	605.50
Assets derecognised or repaid (excluding write offs)	(4,908.18)	(230.46)	47.30
Write - offs	-	-	(97.60)
Gross carrying amount as at March 31, 2022	15,351.49	486.73	899.99
Assets originated or purchased	11,089.59	61.25	166.09
Net transfer between stages			
Transfer to stage 1	115.96	(77.28)	(38.67)
Transfer to stage 2	(398.29)	400.762	(2.48)
Transfer to stage 3	(218.95)	(138.72)	357.67
Assets derecognised or repaid (excluding write offs)	(4,680.71)	(205.33)	(109.31)
Write - offs	-	-	(356.80)
Gross carrying amount as at March 31, 2023	21,259.10	527.41	916.50

Reconciliation of loss allowance provision from beginning to end of reporting period:

Reconciliation of loss allowance	Stage 1 (0-30 days)	Stage 2 (31-90 days)	Stage 3 (More than 90 Days)
Loss allowance on March 31, 2021	19.76	109.42	108.92
Increase of provision due to assets originated or purchased during the period	23.98	13.59	49.08
Net transfer between stages			
Transfer to stage 1	10.51	(10.51)	-
Transfer to stage 2	(2.65)	2.65	-
Transfer to stage 3	(1.86)	(62.37)	64.23
Impact of ECL on exposures transferred between stages during the year	33.77	93.57	190.97
Assets derecognised or collected	(3.33)	(33.84)	(50.44)
Loss allowance on March 31, 2022	80.17	112.52	362.75
Increase of provision due to assets originated or purchased during the period	16.28	13.46	74.24
Net transfer between stages		-	-
Transfer to stage 1	31.49	(15.84)	(15.65)
Transfer to stage 2	(5.31)	6.31	(1.00)
Transfer to stage 3	(2.64)	(34.39)	37.03
Impact of ECL on exposures transferred between stages during the year	(62.08)	65.23	151.27
Assets derecognised or collected	(7.59)	(27.80)	(201.75)
Loss allowance on March 31, 2023	50.32	119.48	406.88

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B) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The 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.

The Company maintains felxibility in funding by maintaining availability under committed credit lines. Management monitors the Company's liquidity positions (also comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows. The Company also takes into account liquidity of the market in which the entity operates.

(i) Financing arrangements

The Company has access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	Total facility	Drawn	Undrawn
March 31, 2023		-	-
- Expiring beyond one year		-	-
- Expiring within one year	3,000		3,000
Total	**3,000**	-	**3,000**
March 31, 2022			
- Expiring beyond one year	3,000	-	3,000
- Expiring within one year		-	-
Total	**3,000**	-	**3,000**

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(ii) Maturities of financial assets and liabilities

The tables below analyse the Company financial assets and liabilities into relevant maturity groupings based on their contractual maturities.

The amounts disclosed in the table are the contractual undiscounted cash flows:

As at March 31, 2023	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Financial assets					
Cash and Cash equivalents	3,878.47	-	-	-	3,878.47
Bank balances other than cash and cash equivalents	654.81	2,405.17	101.46	-	3,161.44
Receivables	298.33	-	-	-	298.33
Loans	7,690.24	7,677.00	4,996.57	2,339.21	22,703.02
Other financial assets	690.08	-	-	-	690.08
Total undiscounted financial assets	**13,211.93**	**10,082.17**	**5,098.03**	**2,339.21**	**30,731.34**
Financial liabilities					
Debt securities	553.09	-	-	-	553.09
Borrowings (other than debt securities but including interest accrued)	6,033.69	4,651.26	2,337.80	3,378.73	16,401.48
Payables	290.03	-	-	-	290.03
Other financial liabilities	271.49	-	-	-	271.49
Total undiscounted financial liabilities	7,148.30	4,651.26	2,337.80	3,378.73	17,516.09
Net undiscounted financial assets/(liabilities)	6,063.64	5,430.92	2,760.23	(1,039.52)	13,215.26

As at March 31, 2022	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Financial assets					
Cash and Cash equivalents	2,537.76	-	-	-	2,537.76
Bank balances other than cash and cash equivalents	1,769.61	2,405.17	101.46	-	4,276.24
Receivables	36.69	-	-	-	36.69
Loans	4,308.78	4,735.69	5,044.96	2,648.79	16,738.22
Other financial assets	856.62	21.37	24.94	-	902.93
Total undiscounted financial assets	**9,509.46**	**7,162.23**	**5,171.36**	**2,648.79**	**24,491.84**
Financial liabilities					
Debt securities	52.74	497.64	-	-	550.38
Borrowings (other than debt securities but including interest accrued)	2,980.86	2,397.67	1,206.89	4,236.65	10,822.07
Payables	246.09	-	-	-	246.09
Other financial liabilities	228.62	-	-	-	228.62
Total undiscounted financial liabilities	3,508.31	2,895.31	1,206.89	4,236.65	11,847.16
Net undiscounted financial assets/(liabilities)	6,001.15	4,266.92	3,964.47	(1,587.85)	12,644.68

C) 'Market risk

a) Interest rate risk

i) Liabilities

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. At March 31, 2023, the Company is exposed to changes in market interest rates through bank borrowings at variable interest rates. The Company's investments in fixed deposits all pay fixed interest rates.

Interest rate risk exposure

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

Particulars	As at March 31, 2023	As at March 31, 2022
Variable rate liabilities		
Borrowings other than debt securities	10,470.21	4,055.44
Fixed rate liabilities		
Debt Securities	553.09	550.38
Borrowings other than debt securities	5,762.05	6,548.56
Total	16,785.35	11,154.40

Sensitivity

'Sensitivity, of profit or loss in borrowing having fixed interest rates, is not applicable.

ii) Assets

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

Note 41: Capital Management

The Company's capital management objectives are to ensure the Company's ability to continue as a going concern, to comply with externally imposed capital requirement and maintain strong credit ratings and to provide an adequate return to shareholders.

The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet.

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

Particulars	March 31, 2023	March 31, 2022
Borrowings (other than debt securities)	16,401.48	10,822.07
Other financial liabilities - Interest Accrued	553.09	550.38
Less: Cash and Cash Equivalents	(3,928.50)	(2,738.52)

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Net debt*	13,026.07	8,633.93
Equity Share Capital	14,051.49	10,250.00
Other Equity	(283.97)	2,919.42
Total equity	13,767.51	13,169.42
Net debt to equity ratio /Gearing ratio	0.95	0.66

* Net debt includes debt securities + borrowing other than debt securities + sub-ordinated liablities + interest accrued - cash and cash equivalents - bank balances other than cash & cash equivalents.

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(All amounts in ₹ in lakhs, unless stated otherwise)

Note 42: 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.

	March 31, 2023			March 31, 2022		
	Within 12 months	More than 12 months	Total	Within 12 months	More than 12 months	Total
ASSETS						
Financial assets						
Cash and cash equivalents	3,878.47	-	3,878.47	2,537.76	-	2,537.76
Bank balances other than cash and cash equivalents	50.03	3,111.41	3,161.44	200.76	4,075.48	4,276.24
Receivables	298.33	-	298.33	36.69	-	36.69
Loans	7,113.56	15,012.78	22,126.34	3,753.35	12,429.44	16,182.79
Other financial assets	690.08	-	690.08	856.62	46.31	902.93
	12,030.47	**18,124.19**	**30,154.66**	**7,385.18**	**16,551.23**	**23,936.41**
Non Financial assets						
Current tax assets (net)	-	996.78	996.78	-	821.87	821.87
Deferred tax assets (net)	-	1,123.55	1,123.55	-	1,218.65	1,218.65
Property, plant and equipment	68.55	230.57	299.12	118.71	232.53	351.24
Other intangible assets	-	4.70	4.70	-	5.88	5.88
Other non financial assets	340.04	-	340.04	273.96	-	273.96
	408.59	**2,355.60**	**2,764.19**	**392.67**	**2,278.93**	**2,671.60**
TOTAL ASSETS	**12,439.06**	**20,479.79**	**32,918.85**	**7,777.85**	**18,830.16**	**26,608.01**
LIABILITIES						
Financial Liabilities						
Payables						
Trade Payables						
total outstanding dues of MSMEs	10.42		10.42	10.42	-	10.42
total outstanding dues of creditors other than MSMEs	279.61		279.61	235.67	-	235.67
Debt securities	553.09		553.09	550.38	-	550.38
Borrowings (other than debt securities)	6,033.69	10,367.79	16,401.48	2,980.86	7,841.21	10,822.07
Other financial liabilities	271.49	-	271.49	228.62	-	228.62
	7,148.30	**10,367.79**	**17,516.09**	**4,005.95**	**7,841.21**	**11,847.16**
Non Financial Liabilities						
Provisions	6.55	1,521.02	1,527.57	79.36	1,403.31	1,482.67
Other non financial liabilities	107.67	-	107.67	108.76	-	108.76
	114.22	**1,521.02**	**1,635.24**	**188.12**	**1,403.31**	**1,591.43**
TOTAL Liabilities	**7,262.52**	**11,888.81**	**19,151.33**	**4,194.08**	**9,244.51**	**13,438.59**
Net	**5,176.54**	**8,590.98**	**13,767.52**	**3,583.77**	**9,585.65**	**13,169.42**

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Note 43: Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at-least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The funds were primarily allocated to a corpus and utilized through the year on these activities, which are specified in Schedule VII of the Companies Act, 2013.
Company has spent CSR expense through implementation agency (S. Amar Singh Educational Charitable Trust) for Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects. The said agency is not a related party for the company.

a. Gross amount required to be spent by the company during the year is Nil and previous year amounting to Rs. 7.41 Lacs.
b. Amount spent during the year on:

Particulars	For the period ended March 31, 2023			For the period ended March 31, 2022		
	Paid	Yet to be paid	Total	Paid	Yet to be paid	Total
1. Construction/acquisition of an asset	-	-	-	-	-	-
2. On purpose other than (1) above	-	-	-	7.41	-	7.41

Note 43A: Segment Reporting

The Company operates in a single reportable segment i.e. financing activity, which has similar risks and returns for the purpose of Ind AS 108 "Operating segments" and is considered to be the only reportable business segment. The Company derives its major revenues from financing activities and its customers are widespread. Further, The Company is operating in India which is considered as a single geographical segment.

Note 43B: Principal Business Criteria (PBC)
As on March 31, 2023, the Company which is registered Non-Banking Financial Company (NBFC) with Reserve Bank of India (RBI), post-merger of Taraashna Financial Services Limited (TFSL) with the Company, does not fulfil the principal business criteria laid down by RBI. As per the said criteria, Company should have at least 50% of total asset as financial asset and should derive more than 50% of total income from the non-banking financial activities asset. The Company meets the first criteria of asset however it does not meet the second criteria of income. Considering merger of TFSL with the Company, RBI has allowed time till Mar'2024 to fulfil the said criteria as per letter issued by RBI dated July 22, 2022".

Note 43C: Business combinations

Satin Finserv Limited (The Company) had entered into a scheme of amalgamation for the merger of Taraashna Financial Services Limited ('TFSL') with the Company. The appointed date of Scheme is April 01, 2021. Further, during the year, as the closing conditions for the said merger were fulfilled, the said transaction was consummated. The difference of Rs. 725.23 lac between the purchase consideration and fair value of net assets was recognised as Amalgamation reserve, a component of equity. The Company has issued its shares to the shareholders of TFSL in consideration for amalgamation in proportion of 237 (Two Hundred Thirty Seven) Equity Shares of Face Value of Rs. 10 each in The Company for every 100 (One Hundred) Equity shares of face value of Rs. 10/- each held by them. TFSL was involved in Business Correspondent services includes Identification of Borrowers, collection and preliminary processing of loan applications including verification of primary information, processing and submission of applications to banks, promoting, nurturing and monitoring of Self Help Groups/Joint Liability Groups, post-sanction monitoring, follow-up for recovery, disbursal of small value credit and recovery of principal/collection of interest.

The fair values of the assets and liabilities recognised at the date of merger are as follows:

Assets	Amount (Rs. in lac)
Property, plant and equipment	238.42
Cash and cash equivalents	1,641.89
Bank balances other than above	4,856.60
Others	2,414.10
Liabilities	
Borrowings	2,664.39
Trade payables	325.48
Others	1,634.23
Net assets acquired	**4,526.71**
Equity Shares	3,801.49
Amalgamation reserve	725.23

Note 44: Additional disclosures as required by the Reserve Bank of India

(i) Capital to Risk Assets Ratio (CRAR)

Particulars	As at March 31, 2023	As at March 31, 2022
CRAR (%)	46.63	54.50
CRAR - Tier I Capital (%)	46.45	54.19
CRAR - Tier II Capital (%)	0.19	0.31
Liquidity Coverage Ratio	1079%	1031%
Amount of subordinated debt raised as Tier-II capital	-	-
Amount raised by issue of Perpetual Debt Instruments	-	-

(ii)

Particulars		As at March 31, 2023	As at March 31, 2022
Value of Investments			
Gross Value of Investments			
(a)	In India		
(b)	Outside India,		
Provisions for Depreciation			
(a)	In India		
(b)	Outside India,		
Net Value of Investments			
(a)	In India		
(b)	Outside India,		
Movement of provisions held towards depreciation on investments			
(i)	Opening balance		
(ii)	Add : Provisions made during the year		
(iii)	Less : Write-off / write-back of excess provisions during the year		
(iv)	Closing balance		

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(iii) Derivatives:-
The Company has no transactions/exposure in derivatives in the current period and previous period.

(iv) Details of assignment transactions undertaken:-
The Company has no transactions/exposure in assignment transactions in the current period and previous period.

(v) Details of financial asset sold to Securitisation / Reconstruction Company for asset reconstruction:-:-
The Company has not sold financial assets to

(vi) Details of non-performing financial assets purchased / sold:-
The Company has not purchased/sold non-performing financial asset in the current period and previous period.

(vii) Exposure to real estate sector:-
The Company has no exposure to real estate sector during the current period and previous period.

(viii) Exposure to capital market:-
The Company has no exposure to capital market during the current period and previous period.

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(ix) Disclosure relating to securitization:-

The Company has entered into agreement for the securitization of loans with assignees, wherein it has securitized a part of its loans portfolio amounting to INR 803 lakhs during the year ended March 31, 2023, being the principal value outstanding as on the date of the deals that are outstanding. The Company is responsible for collection and getting servicing of this loan portfolio on behalf of investor/buyers. In terms of the said securitization agreements, the Company pays to investor/buyers on agreed date basis the prorata collection amount as per individual agreement terms.

Particulars	For the period ended March 31, 2023	For the period ended March 31, 2022
1. No of SPEs holding assets for securitization transactions originated by the originator	1	-
2. Total amount of securitized assets as per books of the SPEs	803.15	-
3. Total amount of exposures retained by the originator to comply with MRR as on the date of balance sheet	140.55	-
a) Off Balance sheet exposures	-	-
* First loss	-	-
* Others		-
b) On Balance sheet exposures	-	-
* First loss	140.55	-
* Others	-	-
4 Amount of exposures to securitization transactions other than MRR	-	-
a) Off Balance sheet exposures	-	-
i) Exposure to own securitizations	-	-
* First loss	-	-
* Others	-	-
ii) Exposure to third party securitizations	-	-
* First loss	-	-
* Others	-	-
b) On Balance sheet exposures	-	-
i) Exposure to own securitizations	-	-
* First loss	-	-
* Others	-	-
ii) Exposure to third party securitizations	-	-
* First loss	-	-
* Others	-	-
5 Sale consideration received for the securitized assets and gain/loss on sale on account of securitization	702.76	-
6 Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitization asset servicing, et	-	-
7 Performance of facility provided. Please provide separately for each facility viz. Credit enhancement, liquidity support,	-	-
servicing agent etc. Mention percent in bracket as of total value of facility provided	-	-
(a) Amount paid	-	-
(b) Repayment received	-	-
(c) Outstanding amount	800.73	-
8 Average default rate of portfolios observed in the past. Please provide breakup	-	-
separately for each asset class i.e. RMBS, Vehicle Loans etc	-	-
9 Amount and number of additional/top up loan given on same underlying asset.	-	-
Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc	-	-
10 Investor complaints (a) Directly/Indirectly received and; (b) Complaints	-	-
outstanding	-	-

(x) Information on instances of fraud:-

Nature of fraud (cash embezzlement by employee) *	For the year ended March 31, 2023	For the year ended March 31, 2022
Number of Cases	7	1
Amount of Fraud	139.14	0.22
Recovery	35.60	-
Amount written off	103.55	0.22

* Amount reported above for the current year is pursuant to merger of Taraashna Financials Services Limited with Satin Finserv limited. These amount are related to previous financial years.

Nature of fraud (Borrower)	For the year ended March 31, 2023	For the year ended March 31, 2022
Number of Cases	1	-
Amount of Fraud	175.12	-
Recovery	-	-
Amount written off	175.12	-

(xi) Details of single borrower limit exceeded by applicable NBFC:-

The Company does not have single borrower exceeding the limits during the current period and previous period.

(xii) Details of financing of parent Company product:-

The Company does not have such transaction during the current period and previous period.

(xiii) Registration obtained from other financial sector regulators:-

The Company is registered with the 'Ministry of Corporate Affairs' (Financial regulators as described by Ministry of Finance).

(xiv) Disclosure of Penalties imposed by RBI & other regulators:-

No penalties imposed by RBI and other regulators during the current period and previous period.

(xv) Concentration of Advances, Exposures and NPAs

Particulars	As at March 31, 2023	As at March 31, 2022
Concentration of Advances		
Total advances to twenty largest borrowers	6,381.72	7,255.80
(%) of advances to twenty largest borrowers to total advances	28.84%	56.42%
Concentration of Exposures		
Total exposure to twenty largest borrowers	6,381.72	7,255.80
(%) of exposure to twenty largest borrowers to total exposure	28.84%	56.42%
Concentration of NPAs		
Total exposure to top four NPA accounts	34.53	38.93
(%) of exposure to top four NPA accounts	0.16%	0.30%

RAJEEV BHATIA & ASSOCIATES DELHI Chartered Accountants

SATIN FINSERV LIMITED GURUGRAM

SATIN FINSERV LIMITED

Notes to the financial statements for the period ended March 31, 2023

(All amounts in ₹ in lakhs, unless stated otherwise)

(xvi) Movement of NPAs:-

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
i) Net NPAs to net advance (%)	2.30%	3.32%
ii) Movement of NPAs (Gross)		
a) Opening balance	899.99	223.53
b) Addition during the year	(119.72)	726.76
c) Reduction/ write off during the year	(264.35)	(50.30)
d) Closing balance	1,044.62	899.99
iii) Movement of NPAs (Net)		
a) Opening balance	537.24	114.61
b) Addition during the year	236.73	422.48
c) Reduction/ write off during the year	(264.35)	0.15
d) Closing balance	509.62	537.24
iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
a) Opening balance	362.75	108.92
b) Addition during the year	245.88	304.28
c) Reduction/ write off during the year	(201.75)	(50.44)
d) Closing balance	406.88	362.75

(xvii) **Unsecured advances** - refer note 7 of Balance Sheet Notes

(xviii) **Provisions & contingencies** (shown under Expenses head in statement of profit & loss)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Provision for standard and non performing assets	21.25	317.34
Provision for gratuity	59.87	9.57
Provision for compensation absences	120.25	(8.81)

(xix) **Un-hedged foreign currency**

The Company does not have any foreign currency transaction during the current and previous period.

(xx) Intra-group exposures:-

Particulars	For the year ended March 31, 2023 (Customer)	For the year ended March 31, 2022 (Customer)	For the year ended March 31, 2023 (Borrower)	For the year ended March 31, 2022 (Borrower)
a) Total amount of intra-group exposures	39.88	93.07	4,000.00	4,000.00
b) Total amount of top 20 intra-group exposures	39.88	93.07	4,000.00	4,000.00
c) Percentage of intra-group exposures to total exposure of	0.18%	0.56%	23.59%	35.17%

(xxi) **Disclosure of stress assets as required under notification issued by RBI dated August 06, 2020, RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 with notification issued by RBI dated and May 05, 2021, RBI/2021-22/31 DOR.STR.REC. 11/21.04.048/2021-22 (INR in Lakhs)**

Type of borrower	(A) Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (A)	(B) Of (A), aggregate debt that slipped into NPA during the half-year	(C) Of (A) amount written off during the half-year	(D) Of (A) amount paid by the borrowers during the half-year	(E) Exposure to accounts classified as Standard consequent to implementation of resolution plan –Position as at the end of this half-year
Personal Loans	-	-	-	-	-
Corporate persons*	300.10	-	-	32.03	268.07
Of which, MSMEs	-	-	-	-	-
Others - MSME	882.76	12.29	-	117.48	752.98
Total	1,182.85	12.29	-	149.51	1,021.05

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016.

RAJEEV BHATIA & ASSOCIATES DELHI Chartered Accountants

SATIN FINSERV LIMITED GURUGRAM

SATIN FINSERV LIMITED
Notes to the financial statements for the period ended March 31, 2023
(All amounts in ₹ in lakhs, unless stated otherwise)

(xxii) Asset Liabilities Management Maturity pattern of certain items of assets and liabilities:-
As at March 31, 2023

Particulars	1 day to 7 days	8 day to 14 days	15 day to 30/31 days	Over one Month to 2 Months	Over 2 Months upto 3 Months	Over 3 Months upto 6 Months	Over 6 Months upto 1 Year	Over 1 Year to 3 Years	Over 3 Years to 5 Years	Over 5 Years	Total
Liabilities											
Debt Securites	-	-	-	-	553.09	-	-	-	-	-	553.09
Borrowings from Banks	-	-	100.04	99.25	99.98	301.21	612.47	1,725.50	4.08	-	2,942.54
Market Borrowings (other than Banks)	57.48	41.19	351.38	395.47	400.46	1,288.26	2,217.94	5,187.53	3,350.00	-	13,289.72
Assets											
Advances	368.32	55.43	676.76	466.80	490.75	1,796.28	3,835.90	12,673.57	1,919.86	419.35	22,703.02
Cash and cash equivalents	978.76	100.00	2,796.94	-	2.77	-	-	-	-	-	3,878.47
Bank balances other than cash and cash equivalents	-	-	-	-	-	-	50.03	3,111.41	-	-	3,161.44

RAJEEV BHATIA & ASSOCIATES DELHI Chartered Accountants

SATIN FINSERV LIMITED GURUGRAM

SATIN FINSERV LIMITED
Notes to the financial statements for the period ended March 31, 2023
(All amounts in ₹ in lakhs, unless stated otherwise)

As at March 31, 2022

Particulars	1 day to 7 days	8 day to 14 days	15 day to 30/31 days	Over one Month to 2 Months	Over 2 Months upto 3 Months	Over 3 Months upto 6 Months	Over 6 Months upto 1 Year	Over 1 Year to 3 Years	Over 3 Years to 5 Years	Over 5 Years	Total
Liabilities											
Debt Securites	-	-	-	-	-	52.74	-	497.64	-	-	550.38
Borrowings from Banks	0.38	-	0.17	42.05	42.05	126.17	252.42	1,007.81	458.38	-	1,929.44
Market Borrowings (other than Banks)	66.88	27.78	176.45	210.22	254.56	604.10	1,100.71	2,455.62	3,778.26	-	8,674.58
Assets											
Advances	141.67	53.22	293.62	257.08	577.10	871.13	1,752.45	10,143.16	2,079.85	568.94	16,738.22
Cash and cash equivalents	620.20	-	737.83	-	1,179.73	-	-	-	-	-	2,537.76
Bank balances other than cash and cash equivalents	-	-	-	-	200.76	-	-	4,075.48	0.00	-	4,276.24

RAJEEV BHATIA & ASSOCIATES DELHI Chartered Accountants

SATIN FINSERV LIMITED GURUGRAM

SATIN FINSERV LIMITED
Notes to the financial statements for the period ended March 31, 2023
(All amounts in ₹ in lakhs, unless stated otherwise)

(xxiii) Disclosure of details as required under notification issued by RBI dated March 13, 2020, RBI/2019-20/170, DOR (NBFC).CC.PD.No.109/22.10.106/2019-20

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	21,257.95	50.27	21,207.68	142.57	(92.29)
	Stage 2	400.44	87.44	313.01	1.60	85.83
Subtotal		21,658.40	137.71	21,520.69	144.17	(6.46)
Non-Performing Assets (NPA)						
Substandard	Stage 1	1.15	0.04	1.11	0.12	(0.07)
Substandard	Stage 2	126.97	32.05	94.92	12.70	19.35
Substandard	Stage 3	691.40	328.88	362.52	69.14	259.74
Doubtful - up to 1 year	Stage 3	225.10	78.00	147.10	45.02	32.98
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		225.10	78.00	147.10	45.02	32.98
Loss	Stage 3	Nil	Nil	Nil	Nil	Nil
Subtotal for NPA		1,044.62	438.97	605.65	126.97	312.00
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	Nil	Nil	Nil	Nil	Nil
	Stage 2	Nil	Nil	Nil	Nil	Nil
	Stage 3	Nil	Nil	Nil	Nil	Nil
Subtotal		Nil	Nil	Nil	Nil	Nil
Total	Stage 1	21,259.10	50.32	21,208.79	142.68	(92.36)
	Stage 2	527.41	119.48	407.93	14.30	105.18
	Stage 3	916.50	406.88	509.62	114.16	292.72
	Total	22,703.02	576.68	22,126.34	271.14	305.54

RAJEEV BHATIA & ASSOCIATES DELHI Chartered Accountants

SATIN FINSERV LIMITED GURUGRAM

SATIN FINSERV LIMITED

Notes to the financial statements for the period ended March 31, 2023

(All amounts in ₹ in lakhs, unless stated otherwise)

(xxiv) **Breaches in terms of covenants in respect of loans availed by the NBFC or debt securities issued by the NBFC including incidence/s of default.:-**

There is no breach in terms of covenants in respect of loans availed or debt securities issued by the Company including incidence/s of default

(xxv) **Divergence in asset classification and provisioning above a certain threshold to be decided by the Reserve Bank:-**

There is no divergence in asset classification and provisioning to be reported as per RBI guidelines.

(xxvi) Sectoral Exposure:-

	For the year ended March 31, 2023			For the year ended March 31, 2022		
Sectors	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
Agriculture and allied activities	2,807.57	350.42	12.48%	3,669.22	152.48	4.16%
MSME	3,329.75	354.20	10.64%	4,636.54	366.85	7.91%
Services	10,964.13	335.54	3.06%	2,181.87	145.54	6.67%
Corporate borrowers	5,434.30	-	0.00%	6,200.86	235.12	3.79%
Others	167.28	4.46	2.67%	49.73	-	0.00%
Total	22,703.02	1,044.62	4.60%	16,738.22	899.99	5.38%

(xxvii) Customer complaints:-

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
a) Number of complaints pending at the beginning of the year	-	-
b) Number of complaint received during the year	-	-
c) Number of complaints disposed during the year	5	8
d) Of which, number of complaints rejected by the company		
d) Number of complaint pending at the end of the year	-	-

Top five grounds of complaints received by the Company from customer

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
1	2	3	4	5	6
For the year ended March 31, 2023					
Complaint/enquiries w.r.t terms of loan agreement	-	5	-38%	-	-
For the year ended March 31, 2022					
Complaint/enquiries w.r.t terms of loan agreement	-	8	-20%	-	-

xxviii) Composition of the Board:-

S. No.	Name of Director	Director since	Capacity (i.e. Executive/ NonExecutive/ Chairman/ Promoter nominee/ Independent)	DIN	Number of Board: Held	Number of Board: Attended	No. of other Director ship	Remuneration: Salary and other compensation (Rs.)	Remuneration: Sitting Fee	Remuneration: Commission	No. of shares held in and convertible instruments held in the Company
1	Mr. Harvinder Pal Singh	10/08/2018	Non-executive Director	00333754	5	5	9	-	-	-	NA
2	Mr. Sumit Mukherjee	20/02/2019	Whole-time Director & CEO	08369056	5	5	NA	105.60	-	-	NA
3	Mr. Anil Kumar Kalra	10/08/2018	Independent Director	07361739	5	5	2	-	0.50	-	NA
4	Mr. Sandeep Kumar Mehta	10/08/2018	Independent Director	00840544	5	5	2	-	0.50	-	NA
5	Ms. Jyoti Ahluwalia	30/03/2021	Independent Director	09112407	5	5	1	-	0.50	-	NA

There is no change in composition of the Board during the current and previous financial year

RAJEEV BHATIA & ASSOCIATES DELHI Chartered Accountants

SATIN FINSERV LIMITED GURUGRAM

SATIN FINSERV LIMITED

Notes to the financial statements for the period ended March 31, 2023

(All amounts in ₹ in lakhs, unless stated otherwise)

(xxix) Committees of the Board and their composition:-

a) The names of the Committees of the Board are:

i. Audit Committee
ii. Nomination and Remuneration Committee
iii. Asset Liability Management Committee
iv. Risk Management Committee
v. IT Startegy Committee

i) The composition of the Audit comunittees are mentioned below:

S. No.	Name of Director	Member of Committee since	Capacity (i.e. Executive/ NonExecutive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the Company
				Held	Attended	
1	Mr. Sundeep Kumar Mehta	January 31, 2019	Independent	4	4	NA
2	Mr. Harvinder Pal Singh	January 31, 2019	Non-Executive	4	4	NA
3	Mr. Anil Kumar Kalra	January 31, 2019	Independent	4	4	NA

ii) The composition of the Nomination and Remuneration committees are mentioned below:

S. No.	Name of Director	Committee since	Capacity (i.e. Executive/ NonExecutive/	Number of Meetings of the		No. of shares held in the Company
				Held	Attended	
1	Mr. Sundeep Kumar Mehta	January 31, 2019	Independent	2	2	NA
2	Mr. Harvinder Pal Singh	January 31, 2019	Non-Executive	2	2	NA
3	Mr. Anil Kumar Kalra	January 31, 2019	Independent	2	2	NA

iii) The composition of the Asset Liability Management committees are mentioned below:

S. No.	Name of Director	Committee since	Capacity (i.e. Executive/ NonExecutive/	Number of Meetings of the		No. of shares held in the Company
				Held	Attended	
1	Mr. Sumit Mukherjee	February 22, 2019	Executive	2	2	NA
2	Mr. Harvinder Pal Singh	February 22, 2019	Non-Executive	2	2	NA
3	Mr. Arjun Bansal	August 03,2 021	Chief Financial Officer	2	2	NA

iv) The composition of the Risk Mangement committees are mentioned below:

S. No.	Name of Director	Committee since	Capacity (i.e. Executive/ NonExecutive/	Number of Meetings of the		No. of shares held in the Company
				Held	Attended	
1	Mr. Sundeep Kumar Mehta	January 31, 2019	Independent	2	2	NA
2	Mr. Harvinder Pal Singh	January 31, 2019	Non-Executive	2	2	NA
3	Mr. Anil Kumar Kalra	January 31, 2019	Independent	2	2	NA
4	Mr. Sumit Mukherjee	August 03, 2021	Executive	2	2	NA
5	Mr. Saurabh Lall*	August 03, 2021	Head- Credit & Risk	1	1	NA
6	Mr. Surojit Chatterjee**	October 21, 2022	Head- Credit & Risk	1	1	NA

**Mr. Saurabh Lall resigned from his position as Head - Credit & Risk w.e.f. September 30, 2022 and consequently from the membership of Risk Management Committee.*

*** Risk Management Committee was reconstituted by Board of Directors in their meeting held on October 21, 2022.*

RAJEEV BHATIA & ASSOCIATES DELHI Chartered Accountants

SATIN FINSERV LIMITED GURUGRAM

SATIN FINSERV LIMITED

Notes to the financial statements for the period ended March 31, 2023

(All amounts in ₹ in lakhs, unless stated otherwise)

v) The composition of the IT Strategy committees are mentioned below:

S. No.	Name of Director	Commiuee since	Capacity (i.e. Executive/ NonExecutive/	Number of Meetings of the		No. of shares held in the Company
				Held	Attended	
1	Mr. Sandeep Kumar Mehta	May 02, 2019	Independent	2	2	NA
2	Mr. Sumit Mukherjee	May 02, 2019	Executive	2	2	NA
3	Mr. Arjun Bansal	August 03, 2021	Chief Financial Officer	2	2	NA
4	Mr. Sunil Yadav	August 03, 2021	Head – IT (SCNL)	2	2	NA

(vi) General Body Meetings:-

S. No.	Type of Meeting (Annual/ Extra-Ordinary)	Date and Place	Special resolutions passed
1	Annual General Meeting	May 02, 2022- Gurugram, Haryana	1

RAJEEV BHATIA & ASSOCIATES DELHI Chartered Accountants

SATIN FINSERV LIMITED GURUGRAM

SATIN FINSERV LIMITED
Notes to the financial statements for the period ended March 31, 2023
(All amounts in ₹ in lakhs, unless stated otherwise)

45 The Board of Directors of Taraashna Financial Services Limited ("TFSL/merged entity") and Satin Finserv Limited ("SFL"), in their respective meetings held on August 03, 2021, have considered and approved the Scheme of Arrangement for Amalgamation of TFSL ("Transferor Company") with SFL ("Transferee Company") and their respective shareholders and creditors ('Scheme') under Sections 230 to 232 of the Companies Act, 2013 ("Act") and other applicable provisions of the Act and rules made thereunder. Consequently, the first motion application has been filed before Hon'ble NCLT, Chandigarh Bench after obtaining requisite NOCs from shareholders/creditors of both companies and government authorities. The said first motion application is reserved and allowed by the said Hon'ble NCLT on hearing dated April 06, 2022. The both companies has filed joint second motion application with Hon'ble NCLT on May 25, 2022 which is admitted by Hon'ble NCLT in its hearing dated July 08, 2022 and issued necessary directio of serving notices and newspapers advertisements. Accordingly, the both companies has served the notices to government authorities and completed publication in requisite newspapers as per order. The Hon'ble NCLT in its hearing dated January 31, 2023 has approved the Scheme of Arrangement for Amalgamation of TFSL and SFL. After requisite filing with concerned ROC, the said Scheme got effective from March 01, 2023. The Appointed Date of Scheme is April 01, 2021. By the effect of Appointed Date (i.e. April 01, 2021), the financial numbers of Satin Finserv Limited for the financial year ended March 31, 2022 are also restated due to amalgamation of Taraashna Financial Services Limited with Satin Finserv Limited"

46 There is no cases of transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.

47 Trade Receivables ageing schedule

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 mon	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	-	285.16	8.74	2.97	1.27	0.19	298.33
(ii) Undisputed Trade Receivables – which have significant increase in credit risk							
(iii) Undisputed Trade Receivables – credit impaired							
(iv) Disputed Trade Receivables– considered good							
(v) Disputed Trade Receivables – which have significant increase in credi risk							
(vi) Disputed Trade Receivables – credit impaired							

Trade Receivables ageing schedule

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 mon	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	-	26.09	4.62	3.20	0.84	1.95	36.69
(ii) Undisputed Trade Receivables – which have significant increase in credit risk							
(iii) Undisputed Trade Receivables – credit impaired							
(iv) Disputed Trade Receivables– considered good							
(v) Disputed Trade Receivables – which have significant increase in credi risk							
(vi) Disputed Trade Receivables – credit impaired							

47A Unbilled revenue ageing schedule

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 mon	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Unbilled revenue – considered good	370.63	-	-	-	-	-	370.63

Unbilled revenue ageing schedule

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 mon	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Unbilled revenue – considered good	721.64	-	-	-	-	-	721.64

48 **Additional information pursuant to Ministry of Corporate Affairs notification dated March 24, 2021 with respect to amendments in Schedule III of Companies Act, 2013**

(i) There are no proceedings which have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules ma thereunder.

(ii) The company is not a wilful defaulter as declared by any bank or financial Institution or any other lender.

(iii) There are no charges or satisfaction yet to be registered with Registrar of Companies (ROC) beyond the statutory period.

(iv) The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

(v) There are no transactions which are 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).

(vi) The Company has not traded or invested in Crypto currency or Virtual Currency during the year.

(vii) During the year, no funds (which are material either individually or in the aggregate) 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 entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, direc 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 th Ultimate Beneficiaries.

(viii) During the year, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with th understanding, whether recorded in writing or otherwise, that the Company shall, whether, 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.

49 Previous year Figures have been re-grouped/re-classified wherever necessary to make it comparable with the figure presented for the year ended 31st March 2023.

The accompanying notes are an integral part of the financial statements.
As per our review report of even date attached

For Rajeev Bhatia & Associates
Chartered Accountants
Firm's Registration No.: 021776N

Jatin Goel
Partner
M.No. 553420

RAJEEV BHATIA & ASSOCIATES DELHI Chartered Accountants

Place: Gurugram
Date: April, 22 2023

For and on behalf of the Board of Directors of
Satin Finserv Limited

Sumit Mukherjee
DIN: 08369056
WTD & CEO
Place : Gurugram

Harvinder Pal Singh
DIN: 00333754
Director
Place : Gurugram

Arjun Bansal
Chief Financial Officer

Parneet Jolly
Mem No: 43608
Company Secretary
Place: Gurugram

SATIN FINSERV LIMITED GURUGRAM

Place: Gurugram
Date: April, 22 2023

Annexure II

BOARD'S REPORT

Dear Members,

Your Board of Directors takes pleasure in presenting the 5th Board's Report of Satin Finserv Limited ("SFL" or "Company"), along with the Annual Audited Financial Statements for the financial year ended March 31, 2023 (period under the review).

BACKGROUND

SFL is a Non-Deposit taking Systematically Important Non- Banking Finance Company (being a subsidiary of Systematically Important Non-Banking Finance Company) holding certificate of Registration (N-14.03461) from the Reserve Bank of India ("RBI") dated January 09, 2019. SFL is wholly owned subsidiary of Satin Creditcare Network Limited. The Company is engaged in the business to provide finance i.e. short term or long term to micro, small and medium scale enterprises, to individuals and corporate loans. SFL is also engaged in business of Business Correspondent on behalf of various banks/financial institutions. The Company has operational website i.e. www.satinfinserv.com

The Board of Directors in their meeting held on August 03, 2021 has approved the Scheme for Amalgamation of Taraashna Financial Services Limited (Transferor Company) with Satin Finserv Limited (Transferee Company/Company) and their shareholders and creditors. The Hon'ble NCLT vide its order dated January 31, 2023 has approved the Scheme of Arrangement for Amalgamation of Transferor Company with the Company. The Company has filed requisite forms with concerned ROC and the said Scheme is effective with effect from March 01, 2023, having Appointed Date April 01, 2021.

FINANCIAL HIGHLIGHTS

The Financial Highlights[1] of your Company are as follows:

		(In Rs. Lakhs)
Particulars	**March 31, 2023**	**March 31, 2022**
Revenue from Operations	10,548.21	9,387.11
Other Income	102.47	323.55
Total revenue	**10,650.69**	**9,710.66**
Expenses		
Employee Benefit expenses	5,334.77	5,686.62
Impairment on financial instruments	378.05	414.94
Finance cost	1,849.57	1,250.68
Depreciation and amortization expenses	174.89	204.99
Other expenses	2,092.01	4,850.99
Total expenses	**9,829.29**	**12,408.22**
Profit before Tax	**821.40**	**(2,697.56)**
Earnings per share		
Basic	0.43	(1.43)
Diluted	0.43	(1.43)

REVIEW OF OPERATIONS OF THE COMPANY/STATE OF AFFAIRS

The Company offers small ticket business loans against collateral of property and is also engaged in the business of Business Correspondent on behalf of various banks/financial institutions. As on March 31, 2023, SFL had 2,69,023 loans and 178 branches across 10 states. The Company plans to continue its growth journey by opening more branches and further investing in technology to optimize operating costs and improve collection efficiency.

During the year under review, the Company has reported profit before tax of Rs 821.40 Lakhs as compared to loss before tax of Rs. (2,697.56) Lakhs in the previous year.

[1] Financial Highlights includes the effect of amalgamation of Taraashna Financial Services Limited with the Company.

During the period under review, your Company has disbursed Rs. 12,742.20 Lakhs in SME Business and Rs. 25,369.11 Lakhs in JLG Business during the financial year ended March 31, 2023. The Company has AUM of Rs. 22,557.32 Lakhs on book (SME Business) and INR 45,602.00 Lakhs off book (JLG Business) as on March 31, 2023.

AMALGAMATION OF TARAASHNA FINANCIAL SERVICES LIMITED WITH THE COMPANY

The Board of Directors of Taraashna Financial Services Limited ("TFSL"/"merged entity"/"Transferor Company") and Satin Finserv Limited ("SFL"/"Transferee Company"), in their respective meetings held on August 03, 2021, had considered and approved the Scheme of Arrangement for Amalgamation of TFSL with SFL and their respective shareholders and creditors ('Scheme') under Sections 230 to 232 of the Companies Act, 2013 ("Act") and other applicable provisions of the Act and rules made thereunder. Further, after obtaining requisite NOCs from shareholders/creditors of both companies, a joint First Motion Application was filed before Hon'ble NCLT, Chandigarh Bench. The said First Motion Application was then allowed by the Hon'ble NCLT vide its order dated May 17, 2022. Consequently, both the companies duly filed a joint Second Motion Petition before Hon'ble NCLT, on May 25, 2022 seeking necessary directions to serve notices to the regulatory authorities and to cause newspapers publications for intimating the final date of hearing. The companies duly completed the process as prescribed under the provisions of Section 230-232 of the Companies Act, 2013 and rules made thereunder. Accordingly, the Hon'ble NCLT, vide its order dated January 31, 2023 approved the said Scheme of Arrangement for Amalgamation and after requisite filing with concerned ROC, the said Scheme got effective from March 01, 2023. The Appointed Date of Scheme is April 01, 2021. Due to said merger, there are impact on overall position of the Company, including financial numbers, branches, loans, borrowing details etc.

OPERATIONAL HIGHLIGHTS

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Number of Branches	178	167
Number of Active Borrowers	2,69,023	3,54,204
Gross Loan Portfolio (in Lakhs)	22,557.32	16,633.08
Number of Employees	1,612	1,818
Total Disbursement (in Lakhs) - on book (SME Business)	12,742.20	9,561.50
Total Disbursement (in Lakhs) - off book (JLG Business)	25,369.11	57,735.51
No. of States (in Operation)	10	10

Due to post pandemic effect, as at March 2023, SFL'S gross non-performing asset (GNPA) stands at 4.14% (FY22: 4.90%) and net non-performing asset (NNPA) is 2.22% (FY22: 2.72%).

RESERVES

The Company is required to create a statutory reserve under Section 45IC of RBI Act, 1934 and transfer therein a sum not less than twenty per cent of its net profit every year as disclosed in the statement of profit and loss and before any dividend is declared. In view of the same during FY 22-23 an amount of Rs. 164.28 Lakhs has been transferred to such reserve.

DIVIDEND

Keeping in mind, the future business expansion and consequent need to maintain the fund requirements for the same, the directors have decided not to recommend any dividend for the financial year 2022-23.

CAPITAL STRUCTURE

Authorized Share Capital

As on March 31, 2023, the Authorized Share Capital of your Company stood at Rs. 1,40,51,49,000/- (Rupees One Hundred Forty Crores Fifty One Lakhs and Forty Nine Thousand) divided into 14,05,14,900

(Fourteen Crores Five Lakhs Fourteen Thousand Nine Hundred) Equity Shares of Rs.10/- (Rupees Ten) each.

The Authorised Share Capital as on March 31, 2023 is having impact of Scheme of Arrangement for Amalgamation of Taraashna Financial Services Limited with Satin Finserv Limited as approved by NCLT Chandigarh Bench by order dated January 31, 2023 which has appointed date & effective date are April 01, 2021 & March 01, 2023 respectively.

Issued Share Capital

As on March 31, 2023, the Issued Share Capital of the Company stood at Rs. 1,40,51,48,590 (Rupees One Hundred Forty Crores Fifty One Lakhs Forty Eight Thousand Five Hundred and Ninety) divided into 14,05,14,859 (Fourteen Crores Five Lakhs Fourteen Thousand Eight Hundred and Fifty Nine) equity shares of Rs. 10/- (Rupees Ten) each.

The Issued Share Capital as on March 31, 2023 is having impact of Scheme of Arrangement for Amalgamation of Taraashna Financial Services Limited with Satin Finserv Limited as approved by NCLT Chandigarh Bench by order dated January 31, 2023 which has appointed date & effective date are April 01, 2021 & March 01, 2023 respectively.

Paid-up Share Capital

As on March 31, 2023, the Paid up Share Capital of the Company stood at Rs. 1,40,51,48,590 (Rupees One Hundred Forty Crores Fifty One Lakhs Forty Eight Thousand Five Hundred and Ninety) divided into 14,05,14,859 (Fourteen Crores Five Lakhs Fourteen Thousand Eight Hundred and Fifty Nine) equity shares of Rs. 10/- (Rupees Ten) each.

The Paid-up Share Capital as on March 31, 2023, is having impact of Scheme of Arrangement for Amalgamation of Taraashna Financial Services Limited with Satin Finserv Limited as approved by NCLT Chandigarh Bench by order dated January 31, 2023 which has appointed date & effective date are April 01, 2021 & March 01, 2023 respectively.

Shares of the Company are in demat form.

BORROWINGS

During FY 2022-23, the Company met its funding requirements through debts, from Financial Institutions and Banks. The details of borrowings availed or outstanding as on March 31, 2023 are listed below:

Name of the lender	Type of facility (Term Loan/CC/Bank Guarantee etc.)	Outstanding Amount as on Mar-22 (In Rs. Lakhs)	Outstanding Amount as on Mar-23 (In Rs. Lakhs)
CSB Bank Limited	Non-convertible Debentures	500.00	500.00
CSB Bank Limited	Overdraft	0.00	0.20
MAS Financial Services Limited	Term Loan	1,494.44	2,150.00
Vivriti Capital Private Limited	Term Loan	19.65	1,000.00
Northern Arc Capital Limited	Term Loan	903.74	512.38
Caspian Impact Investments Pvt Ltd	Term Loan	388.89	1,803.14
Grow Money Capital Pvt Ltd	Term Loan	406.99	1,044.86
Maanaveeya Development & Finance Pvt Ltd	Term Loan	857.20	933.64
Nabkisan Finance Ltd	Term Loan	416.67	250.00
Netafim Agricultural Financing Agency Pvt Ltd	Term Loan	700.00	576.09
State Bank of India	Term Loan	1,916.67	1,402.97

HDFC Bank Ltd	Term Loan	12.56	18.95
Satin Creditcare Network Ltd	Term Loan	3,550.00	3,350.00
Blacksoil capital Pvt Ltd	Term Loan	-	1,000.00
ESAF Small Finance Bank	Term Loan	-	1,000.00
ICICI Bank Limited	Term Loan	-	562.50
NIMBUS 2023 SBL WENGER	PTC	-	702.76
	Total	**11,166.81**	**16,807.49**

The Company has been regular in servicing all its debt obligations and have not defaulted in any repayments.

DEPOSITS

The Company has not accepted/received any deposit during the year under review falling within the ambit of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

Your Company is registered with the Reserve Bank of India (RBI), as a Non-Deposit accepting NBFC under Section 45-1A of the RBI Act, 1934. Your Board of Directors hereby report that the Company has not accepted any public deposits during the year under review and it continues to be a non-deposit taking non-banking financial company in conformity with the guidelines of the RBI. Therefore, no amount of principal and interest was outstanding during the year.

RBI NORMS AND STANDARDS

The Company is in compliance of the regulatory requirement of Net Owned Funds (NOF) as defined under Section 45-IA of the RBI Act, 1934, to carry on the business of a NBFC.

The Company has complied and continues to comply with all the applicable regulations and guidelines issued by RBI such as Capital Adequacy, Net Owned Funds, provisioning for Non-Performing Assets and for Standard Assets, Concentration of Credit and Investment, filings, etc. The Capital to Risk Assets Ratio ("CRAR") of the Company is as follow as on March 31, 2023.

Particulars	As on March 31, 2023	As on March 31, 2022
CRAR (%)	46.63	54.50
CRAR - Tier I Capital (%)	46.45	54.19
CRAR - Tier II Capital (%)	0.19	0.31
Amount of subordinated debt raised as Tier-II capital	-	-
Amount raised by issue of Perpetual Debt Instruments	-	-

In line with the RBI guidelines for Asset Liability Management (ALM) system for NBFCs, the Company has an Asset Liability Management Committee and Risk Management Committee which meets periodically to review its ALM, credit and other risks. The Company is also in compliance with applicable RBI guidelines/directions including NBFC– Corporate Governance Norms and RBI Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 and other guidelines/circulars/directions as issued by RBI from time to time.

FAIR PRACTICE CODE

Your Company has adhered to Board approved Fair Practice Code in terms of applicable RBI guidelines. The Board approved Fair Practice Code covers the required disclosures and norms as required under applicable RBI guidelines/directions. The Board periodically review the Fair Practice Code and its functioning. The Board approved Fair Practice Code is disclosed on the website of the Company at www.satinfinserv.com. Also, Fair Practice Code are being displayed at branches, regional offices and where business is transacted.

COMPLIANCE OF INFORMATION TECHNOLOGY FRAMEWORK FOR THE NBFC SECTOR

Pursuant to RBI Master Direction-Information Technology Framework for the NBFC sector, the Company has constituted an IT Strategy Committee to review the IT strategies in line with its corporate strategies, cyber security arrangements and any other matter related to IT governance. The IT Strategy Committee is constituted with requisite composition, terms of reference and meet regularly to discuss the requirements as specified under RBI Guidelines. Also, the Company has Board approved IT Policy along with requisite

controls in place which is reviewed by IT Strategy Committee and Board periodically. The Company is committed to comply with applicable laws with regard to IT and its system.

COMPLIANCE WITH SECRETARIAL STANDARDS

The Company is compliant with the applicable Secretarial Standards (SS) viz. SS-1 and SS-2 on Meetings of the Board of Directors & Statutory Committee Meetings and General Meetings, respectively.

CORPORATE GOVERNANCE

Your Company upholds the standards of governance and is compliant with the Corporate Governance provisions as stipulated by RBI, from time to time. The Company's core values of honesty and transparency have since its inception been followed in every line of decision making. Setting the tone at the top, your Board of Directors, advocates good governance standards. Your Company has been built on a strong foundation of good corporate governance which is now a standard for all operations across your Company.

The Company also have Board approved Internal Corporate Governance Policy as required under the applicable laws.

MATERIAL CHANGES AND COMMITMENT AFFECTING THE FINANCIAL POSITION OF THE COMPANY /MATERIAL EVENT RECORDED SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS

There was no material changes and commitment or event recorded after the close of financial year March 31, 2023 till the date of signing of Board's Report.

However, during the financial year ended March 31, 2023, the Hon'ble NCLT, vide its order dated January 31, 2023 approved the said Scheme of Arrangement for Amalgamation and after requisite filing with concerned ROC, the said Scheme got effective from March 01, 2023. The Appointed Date of Scheme is April 01, 2021. The details of the same are given under "Amalgamation of Taraashna Financial Services Limited with the Company" of the Report.

CHANGE IN NATURE OF BUSINESS

The Board of Directors and Shareholders in their meetings held on April 27, 2022 and May 02, 2022 respectively has approved the Object Clause of Memorandum of Association of the Company to include the business line of Business Correspondents on behalf of various banks/NBFCs. Therefore, your Company has diversified into another sector of business, in addition to business of NBFC, wherein your Company is acting as a Business Correspondent on behalf of various banks/financial institutions.

PARTICULARS OF LOAN, INVESTMENT OR GUARANTEE

Since the Company is Non- Banking Financial Company, the disclosures regarding particulars of the loans given, guarantees given and security provided is exempt under the provisions of Section 186(11) of the Companies Act, 2013. However, the details are mentioned under the relevant head of Annual Audited Financial Statements/Balance Sheet.

HOLDING, SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

Your Company is wholly-owned subsidiary of Satin Creditcare Network Limited. Your Company does not have any subsidiary, joint venture and associate Company within the meaning of clause (6) Section 2 of the Companies Act, 2013 at any time during the year ended March 31, 2023.

ANNUAL RETURN

Pursuant to the provisions of Sections 92(3) and 134(3)(a) of the Companies Act, 2013 and rules made thereunder, the Annual Return, in e-form MGT-7 for the financial year ended March 31, 2023, after all formalities will be uploaded on the website of the Company at www.satinfinserv.com.

PARTICULAR OF CONTRACTS OR ARRNAGEMENT WITH RELATED PARTY/RELATED PARTY TRANSACTIONS

There was no Related Party Transactions (RPTs) entered by the Company during the year under review, pursuant to Section 188 of the Companies Act, 2013 and rules made thereunder.

Further, Pursuant to Section 134(3)(h) read with other provisions of the Companies Act, 2013 and rules made thereunder (any modification, amendment thereunder), form AOC-2 is attached to as **Annexure - I** to Board's Report.

Further, a statement on "Related Party Disclosures" showing the disclosure of transactions with related parties as required under Indian Accounting Standard 24 (Ind AS 24) read with the Companies (Indian Accounting standards) Rules, 2015, are given in the Notes to the Annual Audited Financial Statements.

EMPLOYEE STOCK OPTION SCHEME

The Company has not provided any stock options to the employees during the period under review.

INTERNAL CAPITAL ADEQUACY ASSESSMENT PROCESS (ICAAP)

Pursuant to the applicable RBI guidelines, the Board of Directors in its meeting dated January 21, 2023 has approved the ICAAP Policy covering the relevant provisions /requirements as specified under the applicable laws.

The Committee of Board, from time to time, review and assess the requirement and deliberate about ICAAP.

CSR EXPENDITURE

The Company strongly believes that sustainable community development is essential for harmony between the community and the industry. Sustainability and social responsibility are an integral part of the corporate strategy of the Company. The Board oversees the implementation of CSR Policy of the Company. However, during the year under review, the Company was not required to make any contribution towards the CSR due to non-applicability of provisions of the Companies Act, 2013 and rules made thereunder. However, the Board adopted CSR Policy is available at the website of the Company at www.satinfinserv.com.

DIRECTORS AND KEY MANEGERIAL PERSONEL (KMP)

a. Board of Directors

As on March 31, 2023, the Board of Directors comprises of 5 (Five) Directors, consisting 3 (Three) Independent Directors, 1 (One) Non-executive Director and 1 (One) Whole-time Director. The details are as follows:

S. No.	Name of Director(s)	DIN	Category of Director(s)
1.	Mr. Harvinder Pal Singh	00333754	Non-executive Director
2.	Mr. Sumit Mukherjee	08369056	Whole-time Director & CEO
3.	Mr. Anil Kumar Kalra	07361739	Independent Director
4.	Mr. Sundeep Kumar Mehta	00840544	Independent Director
5.	Ms. Jyoti Ahluwalia	09112407	Independent Director

During the year under review, there was no change in the composition of the Board of Directors of the Company.
The composition of the Board is in conformity with the Act and other applicable laws.

b. Woman Director

As per the provisions of Section 149 of the Companies Act, 2013, the Company shall have at least one-woman Director in the Board. Your Company has Ms. Jyoti Ahluwalia, as Woman Director on the Board.

c. Key Managerial Personnel (KMPs)

As on March 31, 2023, Mr. Sumit Mukherjee, Whole-time Director, Mr. Arjun Bansal, Chief Financial Officer and Mr. Puneet Jolly, Company Secretary, are Key Managerial Personnel of the Company. There was no change in KMPs during the financial year ended March 31, 2023.

d. Retire by Rotation

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Harvinder Pal Singh (DIN: 00333754), Director of the Company is liable to retire by rotation and being eligible offers himself for reappointment at ensuing Annual General Meeting. Your Board of Directors recommends his re-appointment as a Director of the Company.

The appointment of directors and KMP are as per recommendation of the Nomination & Remuneration Committee of the Company, Fit and Proper criteria of Company's Policy and applicable RBI guidelines, as applicable.

BOARD MEETINGS

The Board of Directors, along with the Committees of the Board, provides leadership and guidance to the Company's Management and directs, supervises and controls the activities of the Company.

The Board met 5 (Five) times during the year under review. The meetings were held on April 27, 2022, July 29, 2022, October 21, 2022, January 21, 2023 and March 30, 2023.

Attendance of Directors who attended Board Meetings held during the period under review are as follows:

Name of the Director	Nature of Directorship	No. of Board Meeting during the year	
		Held during their tenure	Attended
Mr. Harvinder Pal Singh	Non-executive Director	5	5
Mr. Sumit Mukherjee	Whole-time Director & CEO	5	5
Mr. Sundeep Kumar Mehta	Independent Director	5	5
Mr. Anil Kumar Kalra	Independent Director	5	5
Ms. Jyoti Ahluwalia	Independent Director	5	5

COMMITTEES - COMMITTEES OF THE BOARD AND BOARD CONSTITUTED COMMITTEES (STATUTORY COMMITTEES)

As at year end, the Board of Directors of the Company has following Statutory Committees, as per applicable laws:

1. Audit Committee

The Audit Committee constituted in terms of section 177 of the Companies Act, 2013 and in terms of applicable Master Directions and other RBI guidelines. The Committee comprises of 3 (Three) members including 2 (Two) Independent Directors.

The Audit Committee oversees the financial reporting process and reviews, with the Management, the financial statements to ensure that the same are correct and credible. The Audit Committee has the ultimate authority and responsibility to select and evaluate the Independent Auditors in accordance with the law. The Audit Committee also reviews performance of the Statutory Auditors, the Internal Auditors, adequacy of the internal control system.

During the year under review, the Audit Committee met 4 (Four) times on April 27 2022, July 29, 2022, October 21, 2022 and January 21, 2023. The composition and details of the attendance of the Directors at the Audit Committee meetings are given below:

Name of the Audit Committee Members	Nature of Directorship	No. of Committee Meeting during the year	
		Held during their tenure	Attended
Mr. Sundeep Kumar Mehta	Independent Director (Chairperson)	4	4
Mr. Harvinder Pal Singh	Non-executive Director	4	4
Mr. Anil Kumar Kalra	Independent Director	4	4

2. Nomination & Remuneration Committee

The Nomination and Remuneration Committee ("NRC") constituted in terms of section 178 of the Companies Act, 2013 and in terms of applicable guidelines issue by RBI. Currently NRC comprises of 3 (Three) members including 2 (Two) Independent Directors.

The Nomination and Remuneration Committee is to assist the Board of Directors in matters related to the qualification, appointment, remuneration for the Directors, Key Managerial Personnel and other senior employees, if any, and evaluating performance of the Directors and other Terms of Reference as specified under applicable laws. The Committee comprises of 3 (Three) members including 2 (Two) Independent Directors.

During the year under review, the NRC met 2 (two) times on July 29, 2022 and March 30, 2023. The details of the attendance of the Directors at the NRC meetings are given below:

Name of the Nomination & Remuneration Committee Members	Nature of Directorship	No. of Committee Meeting during the year	
		Held during their tenure	Attended
Mr. Sundeep Kumar Mehta	Independent Director (Chairperson)	2	2
Mr. Harvinder Pal Singh	Non-executive Director	2	2
Mr. Anil Kumar Kalra	Independent Director	2	2

3. Asset Liability Management Committee

The Asset Liability Management Committee ("ALCO Committee") constituted in terms of the RBI guidelines as applicable on NBFC- NDSI. The Committee comprises of 3 (Three) members. The functions of the ALCO Committee include addressing concerns regarding asset liability mismatches, interest rate risk exposure and achieving optimal return on capital employed while maintaining acceptable levels of risk including and relating to liquidity, market and operational aspects and adhering to the relevant policies and other applicable guidelines/notifications/regulations, as issued from time to time.

During the year under review, the ALCO Committee met 2 (Two) times on September 07, 2022, and March 15, 2023. The details of the attendance of the Directors at the ALCO Committee meetings are given below:

Name of the Asset Liability Management Committee Members	Designation	No. of Committee Meeting during the year	
		Held during their tenure	Attended
Mr. Harvinder Pal Singh	Non-executive Director	2	2
Mr. Sumit Mukherjee	Whole-time Director & CEO	2	2
Mr. Arjun Bansal	Chief Financial Officer	2	2

4. IT Strategy Committee

The Committee was constituted in terms of RBI prescribed IT framework for NBFCs. The IT Strategy Committee comprises of 4 (Four) members. Chairperson of the IT Strategy Committee is Independent Director as required under applicable RBI IT framework.

The functions of the IT Strategy Committee is to inter-alia to discuss and approve IT strategies and policy documents to ascertain whether the company's management has implemented processes / practices which ensure that IT delivers value to business, that the budgets allocated vis-à-vis IT investments are commensurate, monitor methods adopted to ascertain the IT resources needed to achieve strategic goals of the Company and to provide high-level directions for the sourcing and use of IT resources.
During the year under review, the asset size (standalone) of the Company was below Rs. 500 Crores, hence, the Company was required to follow Section - B of RBI Master Direction - Information Technology Framework for the NBFC Sector dated June 08, 2017. However, IT Policies of the Company covers most of requirement as required under the said RBI Framework, including for NBFC assets size of Rs. 500 Crores and more.

During the year under review, the IT Strategy Committee met 2 (Two) times on May 13, 2022 and November 16, 2022. Details of the attendance along with Committee composition are given below:

Name of the IT Strategy Committee Members	Designation	No. of Committee Meeting during the year	
		Held during their tenure	Attended
Mr. Sundeep Kumar Mehta	Independent Director (Chairperson)	2	2
Mr. Sumit Mukherjee	Whole-time Director & CEO	2	2
Mr. Arjun Bansal	Chief Financial Officer	2	2
Mr. Sunil Yadav	IT Head (Holding Company-Satin Creditcare Network Limited)	2	2

5. Risk Management Committee

The Company follows well-established and detailed risk assessment and risk mitigation procedures. The Company especially focuses on improving its sensitivity to the assessment of risks and improving methods of computation of risk weights. Risk Management Committee (RMC) reviews inter-alia risk related to portfolio, credit, collection, business, capital requirement, liquidity, outsourcing and other risks as specified under RMC Policy and applicable RBI Guidelines on periodic basis.

In order to mitigate risks in better way with expertise knowledge, RMC has 2 (two) Independent Directors as its Chairperson/member.

During the year under review, the Committee met 2 (Two) times on May 13, 2022 and November 16, 2022. Details of the attendance along with Committee composition are given below:

Name of the Risk Management Committee Members	Designation	No. of Committee Meeting during the year	
		Held during their tenure	Attended
Mr. Sundeep Kumar Mehta	Independent Director (Chairperson)	2	2
Mr. Anil Kumar Kalra	Independent Director	2	2
Mr. Harvinder Pal Singh	Non-executive Director	2	2
Mr. Sumit Mukherjee	Whole-time Director & CEO	2	2
Mr. Saurabh Lall[2]	Head Credit & Risk & CRO	1	1
Mr. Surojit Chatterjee[3]	Head Credit & Risk	1	1

6. Internal Committee/Employee Protection Committee

The Company has zero tolerance policy against sexual harassment in the Company and ensure the proper safety and care of women in the Company. Hence, the Company has Board constituted Internal Committee/Employee Protection Committee in the Company in terms of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has Board approved Policy in this regard. The details of the same are given under "Policies" section of this Report.

The following are members of the Committee as at the end of year:

Name of Internal Committee/Employee Protection Committee Members	Designation	Position in Committee

[2] *Mr. Saurabh Lall resigned from his position of Head Credit & Risk & CRO w.e.f. September 30, 2022 and consequently from the membership of Risk Management Committee.*

[3] *Risk Management Committee was re-constituted by the Board of Directors in their meeting held on October 21, 2022 and included Mr. Surojit Chatterjee, Head Credit & Risk as member of the Committee.*

Ms. Aditi Singh	Head – Investor Relations & Corporate Communications (Satin Creditcare Network Limited - Holding Company)	Presiding Officer
Mr. Manish Dwivedi	Head - HR and Admin	Member
Mr. Arjun Bansal	Chief Financial Officer	Member
Ms. Avneet Kaur	Independent Member	External Member

There was no case of sexual harassment during the period under review. Hence, there was no meeting of Internal Committee/ Employee Protection Committee held during the said period. The Company has conducted training of employees in the period under the period and completed relevant fillings with concerned authority.

STATEMENT ON DECLARATION "CERTIFICATE OF INDEPENDENCE" U/S 149 (6) FROM INDEPENDENT DIRECTORS AND DECLARATION AND UNDERTAKING AS PER APPLICABLE RBI GUIDELINES

Pursuant to section 149 read with schedule IV of the Companies Act, 2013, the Board has Independent Directors and there is an appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively. Also, the Company has Board approved Nomination & Remuneration Committee, as per norms of applicable RBI guidelines and provisions of the Companies Act, 2013, which ensures that the person is being appointed as director is fit and qualified to hold the position and evaluate the performance of the directors from time to time.

During the year under review, the Company has received Declaration of Independence from Mr. Sundeep Kumar Mehta, Mr. Anil Kumar Kalra and Ms. Jyoti Ahluwalia, Independent Directors of the Company pursuant to compliance with Section 149(6) & (7) of the Companies Act, 2013 and rules made thereunder.

The Company has also received declaration and undertaking from each director on fit and proper criteria in terms of the provisions of Master directions on Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 as amended from time to time.

PERFORMANCE EVALUATION

Performance appraisal framework was formulated and adopted by the Board. Pursuant to the provisions of Sec 134(3)(p) read with Sec 178 of the Act, a formal evaluation of the performance of the Board, it's Committees (mandatory under Secretarial Standard 1), Individual Directors and the Chairperson of the meetings was carried out for FY 2022-23. Accordingly, the performance evaluation has been done for FY 2022-23 and evaluation was carried out using questionnaire covering, amongst others, composition of board, effective decision making, advice and necessary guidance, open communication, meaningful participation, knowledge & expertise of Directors, contribution at Board meetings etc. Further, Individual Directors (Executive, Non- Executive and Independent) were evaluated in terms of participation in the meetings of Board and Committees, Education & Qualification, effective examination of the financial and other information related to the operations of the Company, raising of valid concerns, impartial & meaningful participation and adequate deliberations in the meeting. The actions emerging from the Board evaluation process were collated and on consolidated basis, the summary of the ratings was prepared, and the report of performance evaluation so arrived at, was circulated to Independent Directors, NRC and Board along with ratings.

The Independent Directors in their meeting held on March 30, 2023 has reviewed and forwarded to the Board the performance of Non-Independent Directors, Board as a whole and the Chairperson of the Company (taking into account the views of Executive directors and Non-Executive directors) of the Company for the FY 2022-23 and reviewed the quality, quantity and timeliness of flow of information between the Company management and the Board as required under the provisions of the Companies Act, 2013 and rules/schedule made thereunder.

The Board approved Nomination and Remuneration Committee has evaluated the performance of the Board as a whole, Directors (Executive and Non-executive Directors) and the Committees of the Board

(mandatory under Secretarial Standard 1) in its meeting dated March 30, 2023 for the FY 2022-23 and forwarded the same for Board's consideration.

Thereafter, the evaluation qualitative comments and suggestions of Independent Directors and NRC were circulated to the Board and Board of Directors in their meeting held on March 30, 2023 inter-alia has evaluated the performance of overall Board as a whole, Chairperson, Committees (mandatory under Secretarial Standard -1) and Individuals Directors of the Company for the FY 2022-23 as required under applicable laws. The Board found the overall performance "satisfactory" for FY 2022-23.

INDEPENDENT DIRECTORS MEETING

In compliance with Schedule IV of the Act, the Independent Directors held their separate meeting on March 30, 2023 inter alia, discuss the following matters:

1. Reviewed the performance of Non-Independent Directors, the Board as a whole and the Chairperson (Taking into views of Executive and Non-executive Directors).
2. Assessed the quality, quantity and timeliness of flow of information between the Company management and the Board.

All Independent Directors i.e. Mr. Anil Kumar Kalra, Mr. Sundeep Kumar Mehta and Ms. Jyoti Ahluwalia were present in the meeting. The Independent Directors present at the meeting deliberated on the above and were satisfy with the performance of Non-Independent Directors, Board as a whole and the Chairperson of the Company (taking into account the views of Executive directors and Non-Executive directors) of the Company for the FY 2022-23.

A STATEMENT REGARDING OPINION OF THE BOARD WITH REGARD TO INTEGRITY, EXPERTISE AND EXPERIENCE (INCLUDING THE PROFICIENCY) OF THE INDEPENDENT DIRECTORS APPOINTED DURING THE YEAR

Your Company has Board approved Nomination & Remuneration Policy (NRC Policy) which specify the fit & proper criteria, as mentioned under applicable RBI guidelines and provisions of the Act. Appointment of all Directors including Independent Directors takes places with the procedures prescribed by NRC Policy and with the recommendation of Nomination & Remuneration Committee and approval of the Board. The appointment of all the directors, took place after satisfying the fit & proper criteria and relevant approval(s). The Company has also received Declaration cum Undertaking from directors, containing relevant past experience, educational background and knowledge of industry. The Directors are registered with data bank and holds relevant experience of the Company's industry. The Independent Directors of the Company contains relevant experience, expertise and integrity. The Company obtains relevant disclosures from Directors from time to time as required under applicable law. During the period under review, there was no change in Independent Directors of the Company.

INTERNAL FINANCIAL CONTROL AND ITS ADEQUACY

Your Company has aligned its current systems of internal financial control with the requirement of the Companies Act, 2013. The Company is continuing to monitor the efficiency of internal controls through a comprehensive internal control framework which had been designed to ensure transparency and accountability in an organisation's process of designing and implementing a system of internal control. Through this framework risks in the Company are identified and analysed and appropriate responses are managed. Moreover, the Audit Committee reviews the audit reports submitted by internal auditors and statutory auditors of the Company. Statutory Auditors review the Internal Financial Controls and inform the same in its report. Other Committees i.e. ALCO, RMC and IT Strategy Committee review the required matters on frequent basis and ensure proper system and processes.

The Company's internal controls systems are commensurate with its size and the nature of its operations. These have been designed as well as operating effectively to provide a reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorised use, executing transactions with proper authorisation, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures and ensuring compliance of corporate policies.

Also, an audit on internal systems, processes and controls as required under Master Direction Information Technology Framework for the NBFC Sector dated June 08, 2017, was conducted by CyberCube Services Private Limited. Further, as per the said audit report, all of controls as required under RBI Master Direction Information Technology Framework for the NBFC Sector are implemented by the Company. This indicates

youc Company has an integrated and robust Information Security Management System in its processes and information security.

CORPORATE GOVERNANCE AS REQUIRED UNDER RBI GUIDELINES INCLUDING SCALE BASED REGULATIONS

Pursuant to RBI Circular RBI/2022-23/26 DOR.ACC.REC.No.20/21.04.018/2022-23 dated April 19, 2022 pertaining to Disclosure in Financial Statements-Notes to Accounts of NBFCs, as per **Section II** of the said circular, Non-listed NBFCs at the minimum should disclose the following under the Corporate Governance section of the Annual Report:

A) Corporate Governance

1) Composition of the Board

S. No.	Name of Director	Director since	Capacity (i.e. Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	DIN	Number of Board Meetings		No. of other Directorships	Remuneration			No. of shares held in and convertible instruments held in the NBFC
					Held	Attended		Salary and other compensation	Sitting Fee [4]	Commission	
1	Mr Harvinder Pal Singh	August 10, 2018	Non-Executive	00333754	5	5	10[5]	-	-	-	NA
2	Mr. Anil Kumar Kalra	August 10, 2018	Independent	07361739	5	5	2	-	1,40,000	-	NA
3	Mr. Sundeep Kumar Mehta	August 10, 2018	Independent	00840544	5	5	2	-	1,60,000	-	NA
4	Ms. Jyoti Ahluwalia	March 30, 2021	Independent	09112407	5	5	1	-	60,000	-	NA
5	Mr. Sumit Mukherjee	February 20, 2019	Executive	08369056	5	5	-	1,05,60,000	-	-	NA

Details of change in composition of the Board during the current and previous Financial Year: **Not Applicable**

[4] This includes sitting fees of Committees meeting and Independent Director meeting

[5] Including body corporate(s)

S.No.	Name of Director	Capacity (i.e. Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Nature of Change (resignation, appointment)	Effective Date
There was no change in composition of the Board during the current (ongoing FY) and previous FY (FY22-23)				

Where an Independent Director resigns before expiry of her/his term, reasons for resignation as given by him/her shall be disclosed: **NA**

Details of any relationship amongst the directors inter-se shall be disclosed: **There is no relationship amongst the directors, except to the extend common directorship in group companies.**

2) Committees of the Board and their composition

i) Mention the names of the committees of the Board: ***Names and Details of Statutory Committees (as constituted under applicable laws)(including committee of the Board are given below in prescribed format:***

ii) For each Committee, mention the summarized terms of reference and provide the following details: ***Details are provided below.***

1. Audit Committee:

S. 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 shares held in NBFC
				Held	Attended	
1.	Mr. Sundeep Kumar Mehta	January 31, 2019	Independent	4	4	NA
2.	Mr. Harvinder Pal Singh	January 31, 2019	Non-Executive	4	4	NA
3.	Mr. Anil Kumar Kalra	January 31, 2019	Independent	4	4	NA

Summarized Terms of Reference of Audit Committee is as under:

1. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
2. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process.
3. Examination of the financial statement and the auditors' report thereon.
4. Approval or any subsequent modification of transactions of the listed entity with related parties.
5. Scrutiny of inter-corporate loans and investments.
6. Valuation of undertakings or assets of the listed entity, wherever it is necessary.
7. Evaluation of internal financial controls and risk management systems.
8. Monitoring the end use of funds raised and related matters.
9. To carry out any other function in terms of any other applicable guidelines or in any other applicable law.

2. Nomination & Remuneration Committee:

S. No.	Name of Director		Capacity (i.e. Executive/	Number of Meetings of the Committee	No. of shares

		Member of Committee since	Non-Executive/ Chairman/ Promoter nominee/ Independent)	Held	Attended	held in NBFC
1.	Mr. Sundeep Kumar Mehta	January 31, 2019	Independent	2	2	NA
2.	Mr. Harvinder Pal Singh	January 31, 2019	Non-Executive	2	2	NA
3.	Mr. Anil Kumar	January 31, 2019	Independent	2	2	NA

Summarized Terms of reference of Nomination and Remuneration Committee is as under:

1. The Nomination and Remuneration Committee shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal an shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.
2. The Nomination and Remuneration Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
3. To ensure 'fit and proper' status of proposed/ existing directors.
4. To undertake and ensure other function and responsibilities as stipulated under Master Circular-NDSI (Master Direction DNBR. PD. 008/03.10.119/2016-17) and as amended from time to time and to carry out any other function in terms of any other applicable guidelines or in terms of any other applicable law.

3. Risk Management Committee:

S. No.	Name of Director/Member	Member of Committee since	Capacity (i.e. Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in NBFC
				Held	Attended	
1.	Mr. Sundeep Kr. Mehta	May 02, 2019	Independent	2	2	NA
2.	Mr. Anil Kumar Kalra	May 02, 2019	Independent	2	2	NA
3.	Mr. Harvinder Pal Singh	May 02, 2019	Non-Executive	2	2	NA
4.	Mr. Sumit Mukherjee	August 03, 2021	Executive	2	2	NA
5.	Mr. Saurabh Lall[6]	August 03, 2021	Head- Credit & Risk & CRO	1	1	NA

[6] *Mr. Saurabh Lall resigned from his position of Head Credit & Risk & CRO w.e.f. September 30, 2022 and consequently from the membership of Risk Management Committee.*

6.	Mr. Surojit Chatterjee[7]	October 21, 2022	Head- Credit & Risk	1	1	NA

Summarized Terms of reference of Risk Management Committee is as under:

1. To review and access the type and nature of the different risks i.e. credit risk, liquidity risk, market risk, operational risk, market risk etc. which may have impact.
2. To review, formulate, implement and maintain a sound system of risk oversight, management and internal control.
3. To review and assess the quality, integrity and effectiveness of the risk management systems.
4. To provide methodology to identify, qualifies and analyses the exposure of risks.
5. To Identify, assess, manages and monitor risks and evaluating overall risks of the Company including liquidity risk.
6. To review, identify and evaluate risks related to fraud and business continuity plan.
7. To monitor external developments relating to the practices of corporate accountability and the reporting of specifically associated risk, including emerging and prospective impacts.
8. To discuss any other scope or functions as required under the applicable laws or policies as defined from time to time."

4. Asset Liability Management Committee:

S. No.	Name of Director/Member	Member of Committee since	Capacity (i.e. Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in NBFC
				Held	Attended	
1.	Mr. Sumit Mukherjee	February 22, 2019	Executive	2	2	NA
2.	Mr. Harvinder Pal Singh	February 22, 2019	Non-Executive	2	2	NA
3.	Mr. Arjun Bansal	August 03, 2021	Chief Financial Officer	2	2	NA

Summarized Terms of reference of Asset Liability Management Committee is as under:

1. To address concerns regarding asset liability mismatches.
2. To address Interest rate risk exposure.
3. To take decision on desired maturity profile and mix of incremental assets and liabilities.
4. To achieve optimal return on capital employed while maintaining acceptable levels of risk including and relating to liquidity, market and operational aspects.
5. Adhering to the relevant policies and regulations.
6. To take decision on responsibilities and controls for managing liquidity risk and overseeing liquidity positions of all branches.
7. To carry out any other function as is mentioned in the terms of applicable guidelines/directions/circulars from time to time."
8. To carry out any other function as may be delegated by the Board of directors of the Company from time to time."

5. IT Strategy Committee:

[7] *Risk Management Committee was re-constituted by the Board of Directors in their meeting held on October 21, 2022 and included Mr. Surojit Chatterjee, Head Credit & Risk as member of the Committee.*

S.No.	Name of Director/Member	Member of Committee since	Capacity (i.e. Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in NBFC
				Held	Attended	
1.	Mr. Sundeep Kumar Mehta	May 02, 2019	Independent	2	2	NA
2.	Mr. Sumit Mukherjee	May 02, 2019	Executive	2	2	NA
3.	Mr. Arjun Bansal	August 03, 2021	Chief Financial Officer	2	2	NA
4.	Mr. Sunil Yadav	August 03, 2021	Head – IT (Holding Company)	2	2	1 (hold as nominee shareholder of Holding Company)

Summarized Terms of reference of IT Strategy Committee is as under:

1) To carry out review and amend the IT strategies in line with the corporate strategies, Board Policy reviews, cyber security arrangements and any other matter related to IT Governance.
2) To approve and recommending to Board of Directors of the Company, "IT strategy and policy documents" and ensuring that the management has put an effective strategic planning process in place.
3) To ascertain that management has implemented processes and practices that ensure that the IT delivers value to the business.
4) To ensure IT investments represent a balance of risks and benefits and that budgets are acceptable.
5) To monitor the method that management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources.
6) To ensure proper balance of IT investments for sustaining NBFC's growth and becoming aware about exposure towards IT risks and controls.
7) To undertake and ensure other function and responsibilities as stipulated under Master Direction- Information Technology Framework (RBI/DNBS/2016-17/53 Master DirectionDNBS.PPD.No.04/66.15.001/2016-17) for the NBFC Sector dated June 08, 2017, as amended from time to time.
8) To carry out any other function in terms of any other applicable guidelines from time to time."

6). Internal Committee /Employee Protection Committee:

S. No.	Name of Director/Member	Member of Committee since	Capacity (i.e. Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in NBFC
				Held	Attended	
1.	Ms. Aditi Singh	August 03, 2021	Head – Investor Relations & Corporate Communicati	NA	NA	1 (hold as nominee shareholder of Holding Company)

			ons - (Holding Company)			
2.	Mr. Manish Dwivedi	August 03, 2021	HR Head & Admin	NA	NA	NA
3.	Mr. Arjun Bansal	August 03, 2021	Chief Financial Officer	NA	NA	NA
4.	Ms. Avneet Kaur	August 03, 2021	Independent Member	NA	NA	NA

Summarized Terms of reference of Internal Committee /Employee Protection Committee is as under:

1. To redress the complaints of sexual harassment, as well as issues related and incidental thereto
2. To investigate the sexual harassment case as per HR Manual of the Company and applicable laws.
3. On completion of the enquiry, the EPC by way of a written report may:
   a) Dismiss the complaint of sexual harassment in cases where the EPC arrives at a conclusion that the allegations against the Respondent have not been proved; or
   b) Find the complaint of sexual harassment proven and give a finding to that effect.
   c) Where the EPC finds and arrives at a conclusion that the allegations against the Respondent are substantiated and proved, the EPC shall make recommendations to the management of the company, which may include:
   d) To take action for sexual harassment as a misconduct in accordance with this Policy.
   e) Deduct salary or wages of the Respondent in such sum as may be considered appropriate, to be paid to the Aggrieved Individual as compensation.
   f) To suggest the aggrieved individual should tell the respondent that his/her behaviour is unwelcome and ask him/her to stop immediately.
   g) To recommend the management to take disciplinary action, upto and including termination of services.
4. Any other scope or functions as required under HR manual or prescribed from time to time.
5. Any other scope or functions as required under the applicable laws or prescribed from time to time.

3) General Body Meetings:

Give details of the date, place and special resolutions passed at the General Body Meetings.

S. No.	Type of Meeting (Annual/Extra-Ordinary General Meeting)	Date and Place	Special Resolutions Passed
1.	Annual General Meeting	**May 02, 2022- Gurugram, Haryana**	1 (One)

4) Details of non-compliance with requirements of Companies Act, 2013- Not Any

5) Details of penalties and strictures- Not Any

B) Breach of Covenant- Not Any

C) Divergence in Asset Classification and Provisioning-

a) The additional provisioning requirements assessed by RBI (or National Housing Bank (NHB) in case of Housing Companies) exceeds 5 percent of the reported profits before tax and impairment loss on financial instruments for the reference period, or

b) The additional Gross NPAs identified by RBI/NHB exceeds 5 percent of the reported Gross NPAs for the reference period.

Sr. No.	Particulars	Amount (Rs. In Lakhs)
1.	Gross NPAs as on March 31, 2023 as reported by the NBFC	1,044.62
2.	Gross NPAs as on March 31, 2023 as assessed by the Reserve Bank of India/ NHB	1,044.62
3.	Divergence in Gross NPAs (2-1)	-
4.	Net NPAs as on March 31, 2023 as reported by the NBFC	605.65
5.	Net NPAs as on March 31, 2023 as assessed by Reserve Bank of India/ NHB	605.65
6.	Divergence in Net NPAs (5-4)	-
7.	Provisions for NPAs as on March 31, 2023 as reported by the NBFC	438.97
8.	Provisions for NPAs as on March 31, 2023 as assessed by Reserve Bank of India/ NHB	438.97
9.	Divergence in provisioning (8-7)	-
10.	Reported Profit before tax and impairment loss on financial instruments for the year ended March 31, 2023	1,199.45
11.	Reported Net Profit after Tax (PAT) for the year ended March 31, 2023	606.30
12.	Adjusted (notional) Net Profit after Tax (PAT) for the year ended March 31, 2023 after considering the divergence in provisioning	606.30

*March 31, 2023 is the close of the reference period in respect of which divergences were assessed.

WHISTLE BLOWER POLICY/VIGIL MECHANISM

The Company has a Whistle Blower Policy to deal with instances of fraud, unethical behaviour and mismanagement, if any. Whistle Blower Policy ensures that the activities of the Company and its employees are conducted in a fair and transparent manner by adoption of highest standards of professionalism. The Whistle Blower Policy provides for adequate safeguards against victimization of persons and ensures that any employee, officer and director who violates the requirements of this policy will be subject to disciplinary action. Audit Committee review the functioning and complaint received under Whistle Blower Policy, if any, on periodic basis. During the period under review, the Company has not received any complaint under Whistle Blower Policy/Vigil Mechanism.

AUDITORS AND THEIR REPORTS

STATUTORY AUDITORS AND THEIR REPORT

M/s. Rajeev Bhatia & Associates, Chartered Accountants (ICAI Registration No. 021776N), have been appointed on the recommendation of Audit Committee of the Board of Director's (in conformity with the provisions of section 139 and 141 of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 (including amendments thereto), as the Statutory Auditors of the Company for the period of 5 years from the conclusion of the first annual general meeting of the Company till the conclusion of sixth annual general meeting. The said appointment is in accordance with the applicable provisions of the Act and rules framed thereunder.

The Statutory Auditors have confirmed that they are not disqualified from continuing as Statutory Audtors of the Company. Further, the Board of Directors in their meeting held on April 27, 2022, based on recommendation of the Audit Committee of the Company, has reviewed and took note the eligibility of **M/s. Rajeev Bhatia & Associates,** Chartered Accountants (ICAI Registration No. 021776N) for the financial year 2022-23, based on eligibility letter, received from Statutory Auditors and the Board has reviewed and monitored their independency, performance and effectiveness of audit process as per applicable laws.

AUDITORS' REPORT

The Auditors' Reports for the financial year 2022-23 does not contain any qualification, reservation, adverse remark or disclaimer. The notes to the Accounts referred to in the Auditors' Report are self-explanatory and do not call for further comments.

SECRETARIAL AUDITORS AND THEIR REPORT

The Board of Directors in their meeting held on April 27, 2022, based on recommendation of Audit Committee of the Company, has appointed M/s S. Behera & Co., Company Secretaries (ICSI PCS Registration No. 5980), as Secretarial Auditor of the Company for FY 2022-23 for conducting the audit of the secretarial and related records of the Company in terms of Section 204 of the Companies Act, 2013 and rules made thereunder. The secretarial audit report is annexed to this Board's Report as **Annexure II.** There is no qualification, reservation or adverse remark made in the Secretarial Audit Report.

INTERNAL AUDIT

The Company has in place an adequate internal audit framework to monitor the efficacy of internal controls with the objectives of providing to the Audit Committee and the Board of Directors, an independent, objective and reasonable assurance on the adequacy and effectiveness of the organisation's risk management, control and governance processes. The Internal Audit Plan is approved by the Audit Committee and Board. The Internal Audit Report, with significant audit observations, if any, are circulated to the Audit Committee and Board on quarterly basis for review and noting. The audit approach verifies, compliance with the regulatory, operational and system related procedures and controls. Pursuant to Section 139 of the Companies Act, 2013 read with rules made thereunder, the Company has Board appointed Internal Auditor to review and conduct the audit as per Board approved Internal Audit Plan. Internal Auditor conduct the audit and present its report(s) before the Audit Committee/Board on periodic basis.

REPORTING OF FRAUD BY AUDITORS

During the year under review, neither the Statutory Auditor nor the Secretarial Auditor have reported to the Audit Committee or to the Board or Central Government, under section 143(12) of the Act, any instances of the fraud committed in the Company by its officers or employees of the Company.

However, Statutory Auditors in its report, mentioned that there have been few instances of misappropriation of cash collected from customers and other forms of embezzlement of cash by the employees involving amounts aggregate Rs. 76.14 Lakhs. The Company has terminated the services of such employees and also initiated legal action against such employees. The Company has recovered Rs. 8.56 Lakhs from such some employees. Further, this is to submit that these instances were incurred in Transferor Company i.e. Taraashna Financial Services Limited, a non-NBFC entity, before amalgamation.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 134(3) (c) of the Companies Act, 2013 the Board of Directors of the Company confirm:

1. That in the preparation of the annual accounts for the financial year ended March 31, 2023, the applicable accounting standards have been followed, along with proper explanations relating to material departure.
2. That Board has 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 on March 31, 2023 and of the profit and loss of the Company for the year ended on that date.
3. That Board has taken proper and sufficient care for the maintenance of adequate accounting records, in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities.
4. That Board has prepared the annual accounts for financial year ended March 31, 2023 on a going concern basis and;
5. That the Board had devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively during the financial year ended March 31, 2023.

DEBETURE TRUSTEE

During the year under review, the Company has not allotted any debentures. However, non-convertible debentures has been allotted to the CSB Bank Limited vide Board Resolution dated June 29, 2020. As per the requirement under the Act, the Company had already appointed Catalyst Trusteeship Limited (formerly known as GDA Trusteeship Limited) as the Debenture Trustee for the non-convertible debentures issued by the Company. The Company has duly submitted required documents, intimations to Debenture Trustee as per agreed covenants and made timely payments.

CREDIT RATING

As on March 31, 2023, the following are ratings of financial instruments of the Company:

Rating Agency	Facilities/Instruments	Amount (INR Crores)	Rating
CARE Ratings Limited	Long Term Bank Facilities	50.00	CARE BBB+; Stable (Triple B Plus; Outlook: Stable)
CARE Ratings Limited	Non-convertible Debentures	5.00	CARE BBB+; Stable (Triple B Plus; Outlook: Stable)
Acuite Ratings & Research Limited	Bank Loan Ratings	50.00	ACUITE BBB+ | Stable |Assigned

REGULATORY ACTION/APPROVAL

During the year under review, the NCLT, Chandigarh Bench had passed an order dated January 31, 2023 for the amalgamation of Taraashna Financial Services Limited with your Company effective from March 1, 2023, appointed date April 21, 2021. The details of the same are given under "Amalgamation of Taraashna Financial Services Limited with the Company" of the Report.

COST RECORDS AND COST AUDIT

Maintenance of cost records and requirement of Cost Audit as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, is not applicable for the business activities carried out by the Company.

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

Being into the business related to financial services; provisions pertaining to conservation of energy is not applicable. Further, there are no foreign exchange earnings(s) or outgo during the financial year 2022-23. Further, pursuant to clause (m) of sub-section (3) of Section 134 of the Companies Act, 2013 read with sub-rule(3) of Rule 8 of the Companies (Accounts) Rules, 2014, the information is as follows:

Sr. No.	Particulars	Details
A)	**Conservation of energy** i. the steps taken or impact on conservation of energy; ii. the steps taken by the company for utilising alternate sources of energy; iii. the capital investment on energy conservation equipments;	Not applicable, in view of the nature of the business of the Company being Financial Services.
B)	**Technology absorption** i. the efforts made towards technology absorption; ii. the benefits derived like product improvement, cost reduction, product development or import substitution; iii. in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- a. the details of technology imported; b. the year of import; c. whether the technology been fully absorbed; d. if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and iv. the expenditure incurred on Research and Development.	The Company is steadily applying and adopting technology to improve services efficiently, and the Company have not imported any technology.
C)	**Foreign exchange earnings and Outgo**	Not any

POLICIES

1. CORPORATE SOCIAL RESPONSIBILITY POLICY

The Company has in place the Board approved Corporate Social Responsibility Policy in line with the provisions of Section 135 of the Companies Act, 2013 and the rules made thereunder, as amended from to time. The CSR policy is available on the website of the Company www.satinfinserv.com.

2. RISK MANAGEMENT POLICY

Risk management is an integral part of the Company's business strategy. The risk management process is adopted and reviewed by the Board of Directors of the Company on a regular basis which provides for identification, assessment and control of risks. Risk Management Committee and Board of Directors regularly review compliance with risk policies, monitor risk tolerance limits, review and analyse risk exposure related to specific issues and provides oversight of risk across the organization. The Company has Board approved Risk Management Policy which reviewed by Board on periodic basis.
The risk management framework covers integrated risk management mainly comprising Credit Risk, Market Risk, Operational Risk, Fraud Risk and other risks. The Credit Risk management structure includes documented credit policies and procedures for each financial product and service of the business.

Risks associated with frauds are mitigated through Board approved Fraud Monitoring Policy. Fraud risk is monitored through oversight by senior management, who review matters relating to fraud risk, including corrective and remedial actions as regards to people and processes.

3. Sexual harassment policy for women under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Your Company is committed to ensure fair environment for its executive, staff and workers. In compliance to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has adopted Sexual Harassment Policy as approved by the Board (Board review the same on periofic basis) which ensure free and fair enquiry process with clear timelines. The Company have duly constituted internal committee as required under the Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013 to review the cases related to sexual harassment. Your directors further state that during the year under review, there was no case reported pursuant to the Sexual Harassment to women at workplace (Prevention, Prohibition and Redressal) Act, 2013. Also, the Company is in complied with provisions related to the constitution of Internal Committee wrt sexual harassment and the annual report as required under POSH Act for calendar year 2023 was filed with concerned authorities within the prescribed timelines. The Company has provided necessary training to employees about sexual harassment laws and internal policy of the Company during the period under review.

4. Policy on Nomination & Remuneration for Directors, Key Managerial Personnel (KMP) & Senior Management and other Employees

The Company has adopted Nomination and Remuneration policy which looks after the Company's policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director etc. The Board reviews the Policy on periodic basis to include the changes under applicable laws, if any. Nomination and remuneration policy of the Company is published on website of the Company. (www.satinfinserv.com)

5. Other Statutory Policies

The Company has all statutory policies as required under applicable provisions of the Companies Act, 2013 and applicable RBI guidelines, as issued by RBI from time to time.

PARTICULARS OF EMPLOYEES

The Company is not listed on any recognized stock exchange, therefore, provisions of Section 197(12) of the Act and rules made thereunder, is not applicable on the Company.

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

The Hon'ble NCLT, Chandigarh Bench vide order dated January 31, 2023 had approved the Scheme of Arrangement for Amalgamation of Taraashna Financial Services Limited with your Company. The details of the same are given under "Amalgamation of Taraashna Financial Services Limited with the Company" of the Report.

THE DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016

There is no application made or proceeding pending under the Insolvency and Bankruptcy Code, 2016 during the financial year under review.

THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF

The Company has not entered into one time settlement of any loan obtained from Banks or financial institutions. Therefore, the details regarding the difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loans from the banks or financial institutions.

ACKNOWLEDGEMENTS

Your Directors would like to place on record their gratitude for the cooperation received from lenders, our valued customers and shareholders. The Board, in specific, wishes to place on record its sincere appreciation of the contribution made by all the employees towards growth of the Company.

For and on behalf of the Board
FOR SATIN FINSERV LIMITED

SATIN FINSERV LIMITED GURUGRAM

Place: Gurugram
Date: April 22, 2023

Sumit Mukherjee
(Whole-time director)
DIN: 08369056

Harvinder Pal Singh
(Director)
DIN: 00333754

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)

This form pertains to the 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.

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

There were no contracts or arrangements or transactions entered during the year ended March 31, 2023, which were not at arm's length basis: **NIL**

(a) Name(s) of the related party and nature of relationship:
(b) Nature of contracts/arrangements/transactions:
(c) Duration of the contracts / arrangements/transactions:
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:
(e) Justification for entering into such contracts or arrangements or transactions
(f) Date(s) of approval by the Board:
(g) Amount paid as advances, if any:
(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188:

Detail of material contracts or arrangements or transactions at arm's length basis: NIL. The Company has not entered in any related party transaction during the financial year ended March 31, 2023.

S. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements /transactions	Duration of the contracts / arrangements /transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any

MANAGEMENT DISCUSSION AND ANALYSIS OF SATIN FINSERV LIMITED ("SFL/the Company")

A. Company Overview

Satin Finserv Limited (SFL/Company) is a wholly owned subsidiary of Satin Creditcare Network Limited (SCNL) incorporated in August 2018 and started operations in March 2019, after obtaining license from Reserve Bank of India (RBI). The RBI NBFC Number of SFL is N-14.03461. The primary objective of SFL is to finance the SME, MSME and self-employed segments and Business Correspondents on behalf of various banks/financial institutions.

SFL forayed into the MSME and self-employed loan segment because these segments are largely excluded from access to organized finance. The Company's MSME loan offerings to these customers account for the fact that many of these customers may not habitually maintain standard books of accounts, or that a vast majority may not even fall under the turnover bracket warranting financial auditing.

Since the availability of reliable financial information in this segment is a challenge, SFL deploys a commensurate credit underwriting and assessment model which is a mix of surrogate and non-surrogate parameters. There is a high level of touch and feel the customer supplemented by scorecards and data analytic to understand the business cash flows.

Nature of Business:

SFL is in the business of lending to small businesses, including individual and corporate business loans, who do not have formal cash flows. Our ticket sizes range from Rs. 1 lakh to Rs. 5 lakh (for the retail business). As on March 31, 2023, total AUM in SME segment stands at Rs. 225.57 Crores as with mix of Rs. 64.36 Crores of whole-sale business and Rs. 161.21 Crores of retail business and Rs. 45,602.00 Lakhs in JLG segment.

Summarized details about Product offered by SFL

Loan Product	Purpose	Ticket Size	Tenor	Collateral	Eligibility Criteria
Small Ticket Business Loan	➢ Income Generation activities ➢ Working Capital- - Long term loans (3-5 years) - Short Term Loans(1 to <3 year)	1.5L to 3.5L	60 Months	Property	➢ Minimum age-22 ➢ Business stability of minimum 3 years
MFI- NBFC (Currently on hold)	Term Loans	Up to 5 Cr	18 Months	Book debts	➢ Minimum AUM of 75 crores. ➢ Minimum net worth of 10 crores ➢ Business stability of minimum 3 years
Large Ticket	Term Loans	Up to 5 Cr	60 Months	Unsecured	➢ Business stability of minimum 3 years ➢ Company needs to be profitable as per last audited financials
JLG Business	Income Generation activities	Up to 0.65 L	24 Months	Unsecured	➢ Minimum age-18 ➢ Maximum Household Income to be < 3 L. ➢ Annual Household Obligation to be

					50% of Annual Household Income.

SFL also acts as Business Correspondent on various banks/financial institutions including Jana Bank, CSB Bank Limited etc.

The Company has an experienced and stable management team of Board of directors. The Company is hopeful of performing well during current financial year.

Amalgamation of Taraashna Financial Services Limited with the Company

The Hon'ble NCLT, vide its order dated January 31, 2023 approved the said Scheme of Arrangement for Amalgamation and after requisite filing with concerned ROC, the said Scheme got effective from March 01, 2023. The Appointed Date of Scheme is April 01, 2021. The details of the same are given under Board's Report of this Annual Report.

B. Industry Structure and Developments

The industry is growing from strength to strength by serving the underserved and often ignored retail and MSME segments which are the backbone of India's growth story.

The micro, small and medium enterprises (MSMEs) segment, which contributes about 29 per cent of India's GDP and employs over 11 crore workers, recorded a modest recovery. The revenue for the MSME sector is projected to exceed the pre-COVID level in 2022-23 by 25 per cent.4 With 99.8 per cent of MSMEs being unregistered, they account for a sizeable share of the unorganized sector output and employment. Increasing the flow of credit to the micro, small and medium enterprises (MSMEs) has been a policy priority of the Reserve Bank and the Government of India. On a y-o-y basis, the outstanding credit to the MSMEs by SCBs increased by 14.2 per cent during 2022-23 (as at end-December 2022) as compared with 11.7 per cent in the corresponding period of the previous year.[1]

With nearly 63 million micro, small and medium enterprises (MSME's), the Indian MSME sector is not only the second largest employment generator in the country but also contributes to over 30 percent of the Country's GDP and almost a third of the nation's manufacturing output and generates over 120 million jobs across industries and regions in the country contributing towards wealth creation at the grassroot level.

Government launched 'Raising and Accelerating MSME Performance (RAMP)' scheme with a total outlay of Rs. 6,062.45 crore. Government launched the 'Capacity Building of First-Time MSME Exporters (CBFTE)' scheme to boost the quality of MSME products and services to match international standards for the global market.

Also, in Business Correspondents (BCs) segment, total banking outlets in villages in BCs has significantly increased from 34,174 in March 2010 to 16,79,226 (provisional) in December 2022 as per RBI Annual Report 2022-23 which states a great opportunity for your Company in this segment.

In accordance with the data published in RBI Bulletin for the month of March, 2023, the Trade Receivables Discounting System (TReDS) platforms have enabled factoring of MSME receivables in a transparent and competitive manner, thereby improving the liquidity position of MSMEs. On an average 35,000 Factoring Units (FUs) worth Rs 7200 crore are discounted or financed in TReDS every month.

Even in TReDS, many enhancements, like insurance facility, commencement of secondary market operations and modification in eligibility criteria have been announces. These measures will empower the MSMEs to realise their dues faster and in a more cost-effective manner.

Digital public infrastructure for Financial Inclusion

The G20, through the Global partnership for Financial Inclusion (GPFI), is facilitating a dialogue on financial inclusion in the global forum. The focus is on the unserved and underserved individuals and on micro, small and medium enterprises.

[1] As per RBI Annual Report 2022-23

Looking Ahead

The deepening and widening of financial inclusion will drive the growth in financialisation of savings in India. One specific area where digital lending has the potential to be a catalyst for economic growth is cash-flow based lending to MSMEs. Increase in number of digitalization of transactions, particularly in rural sector, will help to access and monitor the financial position of the customers.

MSMEs are an important engine of growth for the Indian economy as they contribute around 45 percent of exports and provide employment opportunities to more than 11.1 crore people. The provision of appropriate credit for MSMEs through seamless and digital cash-flow based lending will provide them with much needed impetus. It would enable lenders to leverage real time cash-flow data to reimagine end to end lending process by "sachetisation" of products.

The Ministry of MSME consists of Small & Medium Enterprises (SME) Division, Agro & Rural Industry (ARI) Division, Administration & Financial Institutions (AFI) Division, Integrated Finance Wing (IFW) and Data Analytics and Technical Co-ordination (DATC) Wing, besides the Office of the Development Commissioner (DC, MSME) as an attached office and other subordinate organizations.

The Micro, Small & Medium Enterprises (MSMEs) have been contributing significantly to the expansion of entrepreneurial endeavors through business innovations. The MSMEs are widening their domain across sectors of the economy, producing diverse range of products and services to meet demands of domestic as well as global markets. The MSMEs in India are playing a crucial role by providing large employment opportunities at comparatively lower capital cost than large industries as well as through industrialization of rural & backward areas, inter alia, reducing regional imbalances, assuring more equitable distribution of national income and wealth.

As economic is much stable after finish of waves of COVID-19, the all segment in financial sector, especially MSME, corporate lending and BCs are booming and having greater returns.

Overall, government, economic, internal and external factors seems positive in favor of the Company. Hence, Management of your Company can see positive outlook of the Company in the years to come.

C. Opportunities:

The future posits that NBFCs will continue to experience robust growth with minimal instances of delinquencies if the credit flow doesn't stop and the risk mitigation mechanisms improve. As a whole, this calls for wider adoption of technology and adopting unorthodox lending strategies to find the niche of product-market fit. For instance, some of the new-age digital lenders supply credit to small businesses using point-of-sale terminal data as a proxy for the cash flows and the loans are disbursed through an electronic engine which makes the process safer as well as faster. Using such unique models, the firms are able to navigate the turbulent environment successfully.

Further, the management has view that there are following opportunities in MSME space:

a). Macro Environment:

- India is one of the world's fastest-growing economies, boasting the sixth largest GDP.
- It is the third largest economy on PPP.
- As of November 25 2022, the Udyam Registration portal registered 12,201,448 MSMEs, micro-enterprises stood at 96.17%, small enterprises at 3.49% and midsized enterprises at 0.32%.
- There are around 5—60 million MSME's in India, employees the largest workforce except for Agriculture.
- Over the last decade MSME's have contributed to roughly one-third of India's GDP, however it is lower than other countries.
- The Indian Microfinance Market is anticipated to grow at a brisk CAGR of more than 40% through 2025.
- A total of 1.81 crore loans were disbursed during Q2 FY2022-23, as against 1.85 crore loans in Q2 FY2021-22, as per the latest report by Microfinance Institutions Network (MFIN).
- With growing income, significant number of our customers are expected to migrate up the pyramid.
- NBFC-MFIs are the second largest provider of micro-credit with a loan amount outstanding of Rs 1,10,418 crore, accounting for 36.7 per cent of total industry portfolio.

b). MSME Credit Demands:

- Millions of MSMEs lack proper documentation, or cannot offer meaningful collateral to secure a formal loan.
- Majority of MSMEs have resorted to informal financing (friends, family, money lenders) to address their credit needs.
- According to Trans union CIBIL reports on MSME (2016), roughly 40% of India's MSME lending is in the informal sector.

c). Loan Process pain in formal sector:

- Loan processing time/timeliness is by far the largest pain area.
- These pain points are substantial enough to compel many MSMEs to continue to seek out informal sources, often at much higher interest rate.

d), Market Positioning:

- Unmet Demand of 20 lakh crores.
- 96% of MSMEs having annual revenue of less than INR 1 Crores.

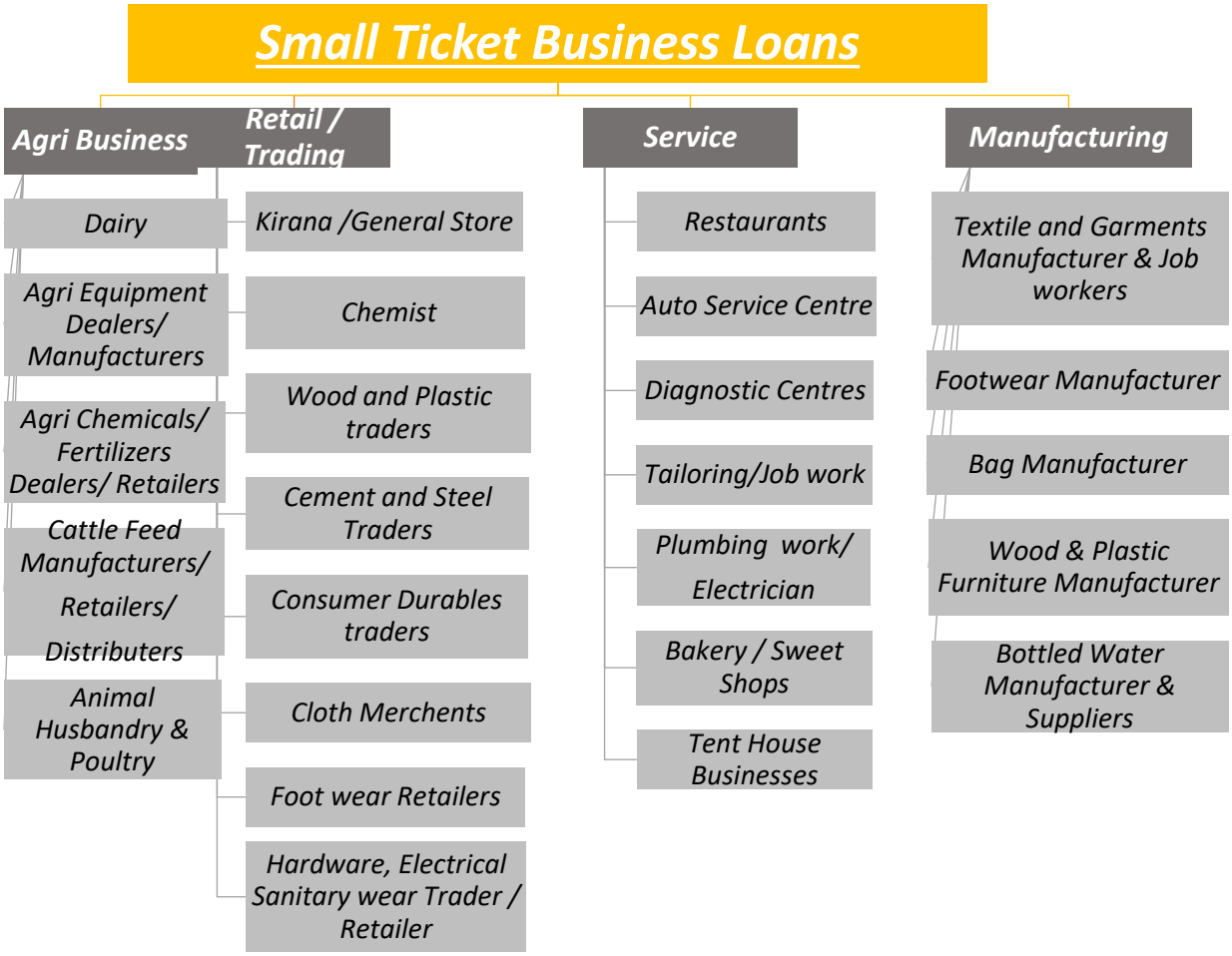
Considering above factors, there is huge opportunity in MSME sector which is vision of the Company to meet the requirement of MSME space.

D. Threats:

The Company identifies operational and event risks as threats. The operational risks are risk of a loss resulting from inadequate or failed internal process, people and systems. To prepare for these risks, the Company has detailed process notes, credit manuals and inbuilt maker checker systems. The various internal and external environments are considered as threats to the Company. The next COVID-19 wave can also be threats to business of the Company, however, we assume there is minor chances of this. However, the Company has various risk mitigation framework and processes at credit level to mitigate the risk associates with internal environment.

E. Sector wise or product wise performance

The Company is in following sector in small ticket business loans:



As above explained in Industry segment, the industry sector is improving and management expects a positive impact on growth of this sector in coming financial years.

The Company has small ticket business loan, MFI-NBFC and large ticket business loans. The small ticket business loans are performing well, having ticket size of Rs. 3 lakh or less. The collection efficiency of small ticket business loans up to ticket size of Rs, 3.5 lakh and less is 97% on consistent basis. The other products are also performing well. The total collection efficiency of the Company is an average of 97%. The Company, on regular basis, make changes in its policies to optimize the performance of product and the same is being reviewed by the Board on regular basis.

F. Outlook of the Company

Details of Company's products are mentioned under this Report. The following points are important internal factor of the Company

- **People & Culture**

As a company we have a firm belief that people are its biggest asset. The Company encourage and nurture human talent by providing relevant trainings, culture and opportunities to upgrade skills required for the business,
In this regards, the Company has formulated various programs and training at all levels, particularly, frontline business staffs. The Company has incentive policies to reward and appreciate exception work of the staff of the Company. The Company focus on the productivity of employees and provide monthly incentives and award to business staff of the Company. The Company has open culture and provide platform for grievances of the employees. The Company has improved and in continuous process to improve the infrastructure of its branches. The Company has policies

- **Cost**

The Company has regular checks on OPEX of the Company. Costs of your Company is under control.

- **Collection infrastructure**

The Company has redeployed the entire Sales force into collection which will help us to manage costs as well as focus on use of our limited resources into the most important activity and in an efficient way. The Company, from time to time, make changes in its collection policies to improve the performance of assets.

G. Internal Control Systems and Their Adequacy.

The Company's internal control system is designed to ensure operational efficiency, protection and conservation of resources, accuracy and promptness in financial reporting and compliance with laws and regulations. The internal control system is supported by an internal audit process for reviewing the adequacy and efficacy of the Company's internal controls, including its systems and processes and compliance with regulations and procedures. Your Company have proper checker maker system thought all departments. The Statutory Auditors also review and specify the internal financial controls in its report.

H. Risk and Concerns

As discussed above threats, the Company have defined process and strategies to deal with internal and external environment risks, which also review by the Board or Risk Management Committee on periodic basis. The Company has Board constituted Risk Management Committee which review, monitor and mitigate various risks including credit risks, liquidity risks etc. In order to mitigate risk, the Company review and change its policies from time to time.

I. Discussion on financial performance with respect to operational performance

The Company offers small ticket business loans against collateral of property and is also engaged in the business of Business Correspondent on behalf of various banks/financial institutions. As on March 31, 2023, SFL had 2,69,023 loans and 178 branches across 10 states. The Company plans to continue its growth

journey by opening more branches and further investing in technology to optimize operating costs and improve collection efficiency.

During the year under review, the Company has reported profit before tax of Rs 821.40 Lakhs as compared to loss before tax of Rs. (2,697.56) Lakhs in the previous year.

During the period under review, your Company has disbursed Rs. 12,742.20 Lakhs in SME Business and Rs. 25,369.11 Lakhs in JLG Business during the financial year ended March 31, 2023. The Company has AUM of Rs. 22,557.32 Lakhs on book (SME Business) and INR 45,602.00 Lakhs off book (JLG Business) as on March 31, 2023.

Operational Highlights for the financial year 2022-23 are as follows:

Particulars	**Year ended March 31, 2023**	**Year ended March 31, 2022**
Number of Branches	178	167
Number of Active Borrowers	2,69,023	3,54,204
Gross Loan Portfolio (in Lakhs)	22,557.32	16,633.08
Number of Employees	1,612	1,818
Total Disbursement (in Lakhs) - on book (SME Business)	12,742.20	9,561.50
Total Disbursement (in Lakhs) - off book (JLG Business)	25,369.11	57,735.51
No. of States (in Operation)	10	10

Material Developments in Human Resources

As on March 31, 2023, the Company has 1601 number of employees as compared to 1615 employees as on March 31, 2022. During the financial year 2022-23, the following material developments took place in Human Resources:

- Post-merger 1244 employees moved successfully from Taraashna Financial Services Limited i.e. Transferor Company to the Company w.e.f. March 01, 2023.
- Performers Club – Monthly reward & certificate for exceptional front line performers from Sales & Collection Department.
- Monthly Call with Branch Managers & HR Head (To identify & resolve any operational hazard at branch level).
- Working on Animated Training Module for all employees.
- Training:- Total number of manpower trained – 1255 employees under 4751 training session, producing 10358 Training Manhours & 1294 Mandays during the Jan & Feb'2023 FY. 2022-23.

ACKNOWLEDGEMENTS

Your Directors would like to place on record their gratitude for the cooperation received from lenders, our valuable customers and shareholders. The Board, in specific, wishes to place on record its sincere appreciation of the contribution made by all the employees towards growth of the Company. The management see positive impact on business and operations of the Company in upcoming years.

S. Behera & Co.
Company Secretaries

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E-mail : shesdev@gmail.com acecorporate.india@gmail.com
shesdev@sbehera.com Website : www.sbehera.com

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023 (Form No. MR-3)

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

To,
The Members
Satin Finserv Limited
4th Floor, B wing, Plot No. 492 UdyogVihar,
Phase III Gurugram Haryana 122016

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to corporate practices by SATIN FINSERV LIMITED (CIN: U65999HR2018PLC099128) (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of Company's books, papers, minute books, forms and returns filed and made available 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, in our opinion we hereby report that, the Company has, during the audit period covering the financial year ended on March 31, 2023 complied with the statutory provisions stated hereunder and also that the Company has proper Boardprocesses and compliancemechanism 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 March 31, 2023 and made available to us, according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made thereunder;
ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;**(Not Applicable)**
iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to theextent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
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 (Prohibition of Insider Trading) Regulations, 2015;
   b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not Applicable)**

S. Behera & Co. C.P. No. 5980 NEW DELHI Company Secretaries

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 (Share based Employee Benefits) Regulations, 2014;**(Not Applicable)**

e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;**(Not Applicable)**

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;

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. Employees' Provident Funds & Misc. Provisions Act, 1952;

vii. Employees' State Insurance Act, 1948 ;

viii. Maternity Benefit Act, 1961;

ix. Minimum Wages Act, 1948;

x. Payment of Bonus Act, 1965

xi. Payment of Gratuity Act, 1972

xii. Delhi Shops and Establishments Act, 1954, Punjab Shops and Commercial Establishments Act, 1958, Uttar Pradesh Shops and Commercial Establishment Act, 1962, Rajasthan Shops And Commercial Establishments Acts, 1958,

xiii. RBI Act, 1934 relating to NBFC's

We have also examined compliance with the applicable clauses of Secretarial Standard Issued by the Institute of Company Secretaries of India.

We report that, during the period under review, the Company has complied with the provisions of the Acts, Rules, Regulations, and Guidelinesmentioned above.

We further report that, based on the information provided and the representation made by the Company and also on the review of the compliances report of Company Secretary/Chief Financial Officer/Whole Time Director and respective departmental heads taken on record by the Board of Directors of the Company in their meetings, and thus in our opinion, adequate system and process exist in the Company to monitor and ensure compliances with provisions of various applicable laws including labour laws and environmental laws.

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 except In single instance where shorter notice was given in compliance with the provisions of Section 173 of the Companies Act, 2013 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.

S. Behera & Co. C.P. No. 5980 NEW DELHI Company Secretaries

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

We further report that during the audit period the following specific events/actions have taken placein pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred toabove which may have a major bearing on the company's affairs :

The Board of Directors of Taraashna Financial Services Limited ("TFSL"/"merged entity"/"Transferor Company") and Satin Finserv Limited ("SFL"/"Transferee Company"), in their respective meetings held on August 03, 2021, had considered and approved the Scheme of Arrangement for Amalgamation of TFSL with SFL and their respective shareholders and creditors ('Scheme') under Sections 230 to 232 of the Companies Act, 2013 ("Act") and other applicable provisions of the Act and rules made thereunder. Further, after obtaining requisite NOCs from shareholders/creditors of both companies, a joint First Motion Application was filed before Hon'ble NCLT, Chandigarh Bench. The said First Motion Application was then allowed by the Hon'ble NCLT vide its order dated May 17, 2022. Consequently, the both companies duly filed a joint Second Motion Petition before Hon'ble NCLT, on May 25, 2022 seeking necessary directions to serve notices to the regulatory authorities and to cause newspapers publications for intimating the final date of hearing. The companies duly completed the process as prescribed under the provisions of Section 230-232 of the Companies Act, 2013 and rules made thereunder. Accordingly, the Hon'ble NCLT, vide its order dated January 31, 2023 approved the said Scheme of Arrangement for Amalgamation and after requisite filing with concerned ROC, the said Scheme got effective from March 01, 2023 with Appointed Date April 01, 2021.

For S. Behera & Co.
Company Secretaries

S. Behera & Co. C.P. No. 5980 NEW DELHI Company Secretaries

(Shesdev Behera)
Proprietor
CP No. 5980
UDIN: F008428E000142641
Date: 19/04/2023
Place: New Delhi

Note: This report is to be read with our letter of even date which is annexed as Annexure-Aand forms an integral part of this report.

Annexure-'A

To,
The Members
Satin Finserv Limited
4th Floor, B wing, Plot No. 492 Udyog Vihar,
Phase III Gurugram Haryana 122016
Our report of even date is to be read along with this letter:

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express as opinion on these secretarial records based on our examination.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on a test basis to ensure that correct facts are reflected in secretarial records, we believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of the financial records and books of accounts of the Company.
4. Wherever 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 and regulations, and standards is the responsibility of the management. Our examination was limited to the verification of the procedures on test 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 S. Behera & Co.
Company Secretaries

S. Behera & Co. C.P. No. 5980 NEW DELHI Company Secretaries

(Shesdev Behera)
Proprietor
CP No. 5980
UDIN: F008428E000142641
Date: 19/04/2023
Place: New Delhi