

ANNUAL REPORT

2023-2024



*Simplifying
Finance,
Enriching
Lives*



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CORPORATE INFORMATION

as on March 31, 2024

BOARD OF DIRECTORS

Mr. Harvinder Pal Singh - Non-Executive Director
Mr. Sundeep Kumar Mehta - Independent Director
Mr. Anil Kumar Kalra - Independent Director
Ms. Jyoti Ahluwalia - Independent Director
Mr. Bhuvnesh Khanna - Whole Time Director

DETAILS OF COMMITTEES OF THE BOARD

Audit Committee

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

Nomination & Remuneration Committee

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

IT Strategy Committee

Mr. Sundeep Kumar Mehta (Chairman)
Mr. Harvinder Pal Singh
Mr. Sunil Yadav
Mr. Arjun Bansal
Mr. Bhuvnesh Khanna

Mr. Anil Kumar Kalra

IT Steering Committee

Mr. Arjun Bansal (Chairman)
Mr. Bhuvnesh Khanna
Mr. Surojit Chatterjee
Mr. Manish Dwivedi
Mr. Irshad Hussain

INFORMATION SECURITY COMMITTEE

Mr. Surojit Chatterjee (Chairman)
Mr. Bhuvnesh Khanna
Mr. Arjun Bansal
Mr. Manish Dwivedi

CHIEF EXECUTIVE OFFICER

Mr. Bhuvnesh Khanna

CHIEF FINANCIAL OFFICER & HEAD- IT

Mr. Arjun Bansal

COMPANY SECRETARY & CHIEF COMPLIANCE OFFICER

Mr. Gurvinder Singh



CORPORATE INFORMATION

as on March 31, 2024

ASSET LIABILITY MANAGEMENT COMMITTEE

Mr. Harvinder Pal Singh

Mr. Bhuvnesh Khanna

Mr. Arjun Bansal

RISK MANAGEMENT COMMITTEE

Mr. Sundeep Kumar Mehta (Chairman)

Mr. Anil Kumar Kalra

Mr. Harvinder Pal Singh

Mr. Surojit Chatterjee



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

KFin Technologies Limited (For Debentures)

Selenuim Building, Tower - B, Plot No 31 & 32,
Gachibowli, Financial District, Nanakramguda,
Serilingampally, Hyderabad, Telangana- 500032
Website: www.kfintech.com

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: info@rajeevbhatiaassociates.com

DEBENTURE TRUSTEE

Axis Trustee Services Limited
The Ruby, 2nd Floor, SW, 29, Senapati Bapat,
Marg, Dadar West, Mumbai- 400028

BANKERS/ FINANCIAL INSTITUTIONS

Bankers

ICICI Bank Limited

HDFC Bank Limited

State Bank of India

ESAF Small Finance Bank

Financial Institutions (Inclusive)

Northern Arc Capital Limited

Vivriti Capital Private Limited

Blacksoil Capital Private Limited

Netafim Agricultural Financing Agency

Private Limited

Maanaveeya Development & Finance Private Ltd

Muthoot Capital Services Limited

Clix Capital Services Pvt Ltd

Tourism Finance Corporation of India Ltd.

Poonawalla Fincorp Limited

Caspian Impact Investments Private limited

MAS Financial Services Limited

IKF Finance Limited

Nabkisan Finance Limited

CREDIT RATING

Nature

Long Term Bank Facilities – ICRA

A-Stable

Non-convertible Debentures – ICRA

A-Stable

CONTACT DETAILS

Satin Finserv Limited

Registered Office & Corporate Office:

4th floor, B-Wing, Plot No. 492, 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 Entrepreneurs, MSMEs and Individual Businesses, MFI companies.



CUSTOMER'S TESTIMONY



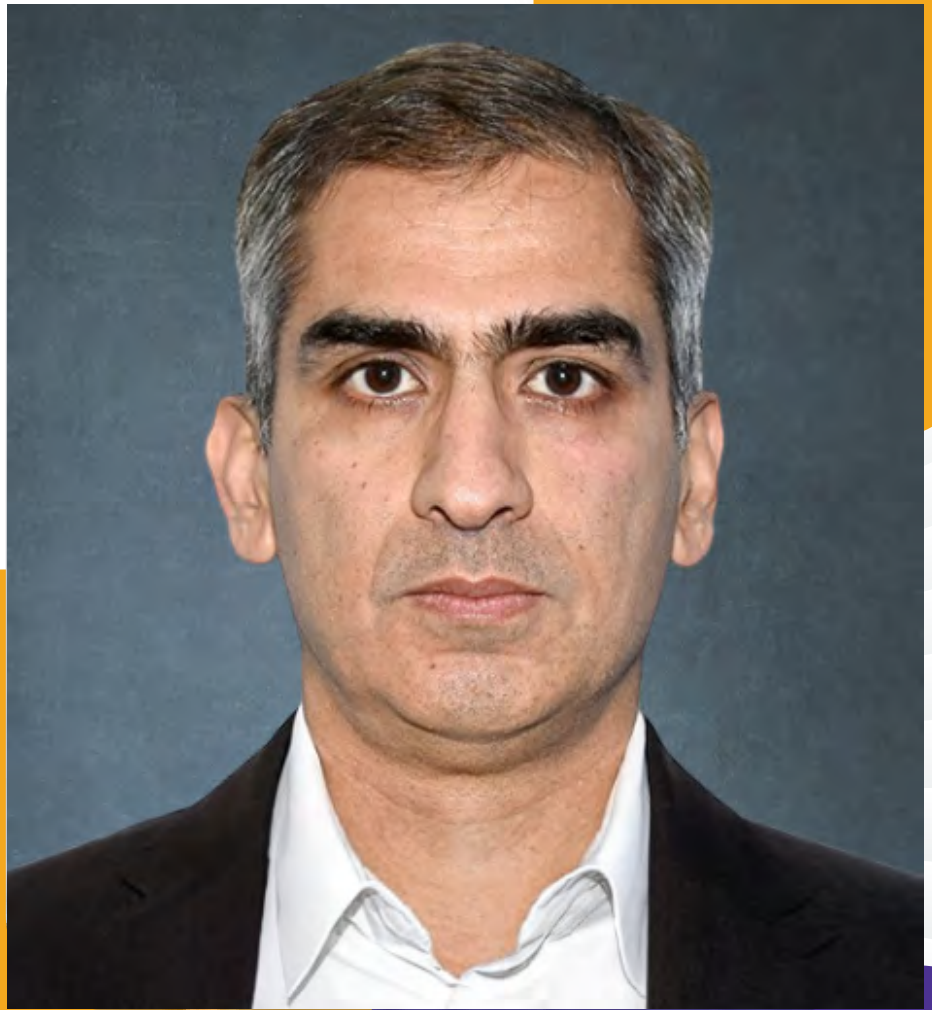
Sandeep Kaur, a 27-year-old resident of Punjab, lives with her husband and two children. She operated a successful tailoring business in a rented space but always dreamt of owning her own shop. While her existing finances were sufficient to support her family, she was determined to expand her business and secure a permanent location. To make this dream a reality, Sandeep approached SFL for financial assistance. SFL provided her with a loan of ₹1.5 lakh, which she used to stock her tailoring business. The new shop received an excellent response, and Sandeep's business flourished in its new setting. She is delighted to have achieved her goal of owning her own shop and is immensely grateful to SFL for the timely financial support that made it possible.

Talat Paravin, a resident of Sambhal, Uttar Pradesh operates a tailoring business in a small village. To enhance her business, she approached SFL for a loan to expand her operations. She sought to increase the variety and quantity of fabrics and supplies in her shop to better serve her customers. SFL provided Talat with a loan of ₹2 lakh. She used these funds to purchase additional materials and invest in new equipment for her tailoring business. With the improved stock and upgraded facilities, Talat's shop is now better equipped to meet customer demands and offer a wider range of services. This expansion has brought her closer to achieving her goal of growing her business, meeting her family's expectations, and saving for her children's future. Talat is grateful to SFL for their timely financial support, which has significantly enhanced her business and financial stability.



Kiran Devi, a 37-year-old resident of Brahmpur, Bihar, lives with her spouse, parents, and two children. The family's ancestral house, built by her father-in-law, was encumbered by a high-interest loan from a private lender, putting a significant strain on their finances. Despite running a successful tailoring business, Kiran and her family struggled with the debt and lacked sufficient savings. Seeking a solution, Kiran approached SFL for assistance. SFL provided a loan of ₹1.25 lakh, which Kiran used to repay the expensive debt and invest in expanding her tailoring business. This financial aid freed the ancestral property from the heavy debt, allowing the family to earn rental income from it. Additionally, the tailoring business experienced substantial growth due to the purchase of new equipment and inventory. Kiran is immensely grateful for SFL's support, which has led to a more stable income, increased savings, and improved financial stability for her family.

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.

Mr. Bhuvnesh Khanna

ABOUT THE COMPANY

SFL was incorporated as a limited company on August 10, 2018 under the provisions of the Companies Act, 2013 (the 'Act') as a wholly owned subsidiary of the Satin Creditcare Network Limited. SFL is Non-Banking Finance Company engaged in the business of providing various financial services to entrepreneurs, MSMEs and individual businesses, and business correspondence services. SFL's aim is to "serve the small business owners (MSMEs) in a manner that is mutually beneficial" by providing them loans for their business needs. SFL has adopted a unique credit underwriting and assessment model to understand the income source and derive eligibility of the potential customers.

More information about the Company's services and operations can be accessed on its website at www.satinfinserv.com

SOME OF BASIC DETAILS OF THE COMPANY, AS ON MARCH 31, 2024, ARE AS FOLLOWS:

- Issued Subscribed and Paid-up Capital Rs. 157.55 Cr
- Gross Loan Portfolio of Rs. 326.37 Cr as of March 2024
- Geographically Diversified Micro Business Loan Portfolio
- Number of Clients – 1,21,293
- Total Disbursement – Rs. 219.431 Cr
- Employees – 1,181
- Number of States – 11
- Number of Branches – 119

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 Limited(The Company) 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 motivated to deliver the very best to our customers, to the very best of their abilities. It is this culture of teamwork, 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

Our Core Values



Seeking Excellence

At Satin Finserv Limited, we relentlessly pursue excellence in everything we do.



Accountability & Ownership

We hold ourselves accountable to deliver results and take pride in our commitment to excellence.



Teamwork & collaboration

The SCNL way is to 'do it better together!' and we believe that positive, constructive and efficient collaboration can ensure success.



Integrity

Satin Finserv operates with unwavering integrity and ethical principles, building relationships with honesty and transparency.



Nurturing Lives

We genuinely care about the well-being and growth of individuals and communities we serve. We are dedicated to making a positive impact on the lives of our customers.



FINANCIAL NUMBERS

as on March 31, 2024



INR 219.43 Cr

Disbursement (In
SME – During FY
2023-24)



0.36

Earning Per Share
EPS
(2023-24)



INR 182.34 Cr

Disbursement (In
JLG/BC – During FY
2023-24)

PROGRESSIVE JOURNEY

MARCH 2023

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

JULY 2021

Recommended Business
Post 2nd lockdown

JULY 2020

Reduction of Ticket Size to
3.5 lakhs

DECEMBER 2019
AUM of Rs.100 Crs

JANUARY 2019
NBFC Licence Received

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

MARCH 2020

1st full year of Operations
PAT of Rs 64 Lakhs

MARCH 2019

Commenced Business

AUGUST 2018

Incorporated



BOARD OF DIRECTORS



Mr. Harvinder Pal Singh
Director

A law graduate and fellow of The Institute of Chartered Accountants of India since 1984, Mr. HP 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 evolved into a leading microfinance institution in India, holding a strong national presence and serving millions of rural households with a diverse range of offerings including microfinance, MSME and affordable housing loans.



Mr. Sundeep Kumar Mehta
Independent Director

Mr. Mehta is a science graduate from the University of Rajasthan and holds a PG Diploma in Business Administration from Annamalai University. He has also earned numerous other certifications, degrees and diplomas in the fields of cyber law, history, labour laws, auto engineering and human resources. Mr. Mehta joined the SCNL board in 2013 after a versatile career spanning 14 years that saw him working in high-capacities roles across organizations like the RKJ group, Escorts Ltd., Panacea Biotech, Bata India and Eicher Good Earth.



Mr. Anil Kumar Kalra
Independent Director

With 31 years of banking experience across leading companies in London and India, Mr. Kalra is extremely well versed in the areas of banking, financial services, investment banking and infrastructure financing. He spent 5 years as the Chief Executive Officer in the Financial Services Company in London, UK and has been associated with various well-known banks and financial institutions across India and London, including public sector banks. Prior to this, Mr. Kalra served as Senior Vice President in a leading NBFC engaged in providing financial services to corporates (including asset financing, debt syndication, corporate advisory, merchant banking etc.) and support to sister companies within the group with focus on infrastructure projects financing. He holds a Finance MBA from the Faculty of Management Studies (FMS), Delhi University and B.Com (H) from the Shree Ram College of Commerce.



Ms. Jyoti Ahluwalia
Woman Independent Director

Ms. Jyoti Ahluwalia is an Independent Director. She holds a Ph.D. and a Master's in Commerce from the University of Allahabad, and is a Chartered Financial Analyst. She also completed a Postgraduate Diploma in Business Administration (Finance) from ICFAI Business School. Currently an Associate Professor specializing in Data Analytics and Machine Learning at Sushant University, Gurugram, she has over 7 years of experience as a Finance Professor at ICFAI Business School, Gurugram. Her corporate roles include Actuarial Analyst at Milliman India and Syndicated Research Analyst at Corporate Executive Board. She's certified as a Banking Faculty by HDFC Bank and received the Best Summer Internship Programme Award in 2015.



Mr. Bhuvnesh Khanna
WTD & CEO

Mr. Bhuvnesh Khanna is having over 25 years of work experience across a range of banking domains including Investment Banking, Corporate Banking, SME Banking and Retail banking. Mr. Bhuvnesh is a graduate from St Xaviers College, Kolkata and a Chartered Accountant from the 1994 batch.

Over his career Mr. Bhuvnesh had the opportunity to work with leading brands in the Banking industry including Kotak Mahindra, HDFC Bank, Deutsche Bank and HSBC. His last role was with HSBC (from 2004) where he had the opportunity to work across multiple markets including India, Hong Kong, Shanghai, Bangladesh and London. Mr. Bhuvnesh has experience across Country, Regional and Global roles which have given him exposure to business/country head roles with P&L responsibilities as also to central team roles in the HSBC groups regional and global offices. Mr. Bhuvnesh has led the initial transition and scaling up of the SME business of HSBC in India during his tenure as Head of SME and thereafter had the opportunity to serve as the Regional head of Business Banking for HSBC in Asia. His other roles within HSBC include Head of Commercial Banking Bangladesh and Global Head of Business and Transaction Management for HSBC Global Commercial Banking based out of London.

THE MANAGEMENT TEAM



Mr. Surojit Chatterjee
Head Credit & Risk



Mr. Manish Dwivedi
Head HR & Admin



Mr. Irshad Hussain
Head Collection & Business

Mr. Surojit Chatterjee possesses a comprehensive 23-year work experience, including 13 years in the NBFC sector. His expertise spans Commercial Vehicles, Cars, Construction Equipment, and SME products. His career journey encompasses roles at organizations such as Mahindra Farm Equipments, Ceat Ltd., JK Industries Ltd., Birla Tyres, and Magma Fincorp Ltd. His most recent position was at IKF Finance. He holds an Engineering degree from the India Society of Engineers.

Mr. Manish Dwivedi boasts over 16 years of experience in Human Resource Management across a range of industries, including Automobile & Manufacturing, Real Estate, FMCD, FMCG, and NBFC. His professional journey has encompassed roles at organizations such as Honda, DLF, POSCO, Nikon, and Kissandhan Agri Finance. His most recent position was at Almaha Foods International Pvt. Ltd. as Head of HR & Administration. He holds an MBA from Symbiosis, Pune, and completed his graduation from Deshbandhu Gupta College, Delhi University.

Mr. Irshad Hussain has over 18 years of work experience spanning the NBFC and manufacturing sectors. He has contributed his expertise to organizations including L&T Finance, Kotak Mahindra Bank, Magma Fincorp Limited, ACE Ltd, and Barota Finance Ltd. In his previous role, he served as the Business Head at Barota Finance Limited. He holds an Engineering degree from IME.



Mr. Gurvinder Singh
Company Secretary & Chief Compliance Officer



Mr. Arjun Bansal
Chief Financial Officer & Head-IT



Mr. Rajkumar Jayaswal
Business Head

Mr. Gurvinder Singh, is a B.com and is an Associate Member of the Institute of Company Secretaries of India. He has vast exposure in complying with the requirements of Company Laws, SEBI and RBI related matters. Mr. Singh has more than 9 years of experience in the field of Secretarial Compliances, Corporate Governance, Fund Raising via Equity & Debt, Stakeholders Management, Board Management matters.

Prior to joining Satin Finserv Limited, Mr. Singh was associated with Satin Creditcare Network Limited as Senior Manager-Secretarial where he had successfully handled Rights Issue, Preferential Issue & QIP with other Secretarial Matters. In his previous assignments, he has also worked as Company Secretary & Compliance officer of Shilpi Cable Technologies Limited, Jatalia Global Ventures Limited and TDI Infrastructures Limited, Legal Executive in Sanjay Grover and Associates.

Mr. Arjun Bansal brings over 11 years of experience in Financial Services, specializing in accounting, finance, budgeting, and taxation. Before joining Satin, he worked with the IIFL Group. He is a qualified Chartered Accountant and holds a Commerce degree from Delhi University.

Mr. Rajkumar Jayaswal brings a wealth of experience totaling 21 years, with 18 years dedicated to the Banking & Finance Industry. His extensive background includes an 11-year tenure at ICICI Bank, where he managed Retail Assets, Agri Assets, Gold Loan, Liability products, and Branches. His career also encompasses roles at City Finance and Godrej & Boyce.

PRODUCT OFFERINGS

Product	Purpose	Ticket Size	Tenor	Collateral	Eligibility Criteria
Small Ticket Business Loan	<ul style="list-style-type: none"> ➤ Income Generation Activities ➤ Working Capital ➤ Long-term (3-5 years) ➤ Short-term (1 to <3 years) Financing 	1.5L to 3.5L	60 Months	Property	<ul style="list-style-type: none"> ➤ Minimum age: 22, ➤ Business stability of minimum 3 years
Large Ticket Business Loan	Term Loans	Up to 5Cr	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 0.65L	24 Months	Unsecured	<ul style="list-style-type: none"> ➤ Minimum age: 18, ➤ Maximum household income <3L, ➤ 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

Agriculture

- Agri Business, Dairy, Agri Equipment, Agri Chemicals/Fertilizers, Cattle Feed, Animal Husbandry & Poultry

Retail

- Retail/Trading, Kirana/General Store, Chemist, Cloth Merchants, Footwear Retailers, Hardware, Electrical, Sanitary Wear Traders/Retailers

Construction

- Cement and Steel Traders, Wood and Plastic Traders

Consumer Goods

- Consumer Durables Traders, Bakery/Sweet Shops, Bottled Water

Services

- Service (Restaurants, Auto Service Centers, Diagnostic Centers, Tailoring/Job Work, Plumbing Work/Electrician, Tent House Businesses)

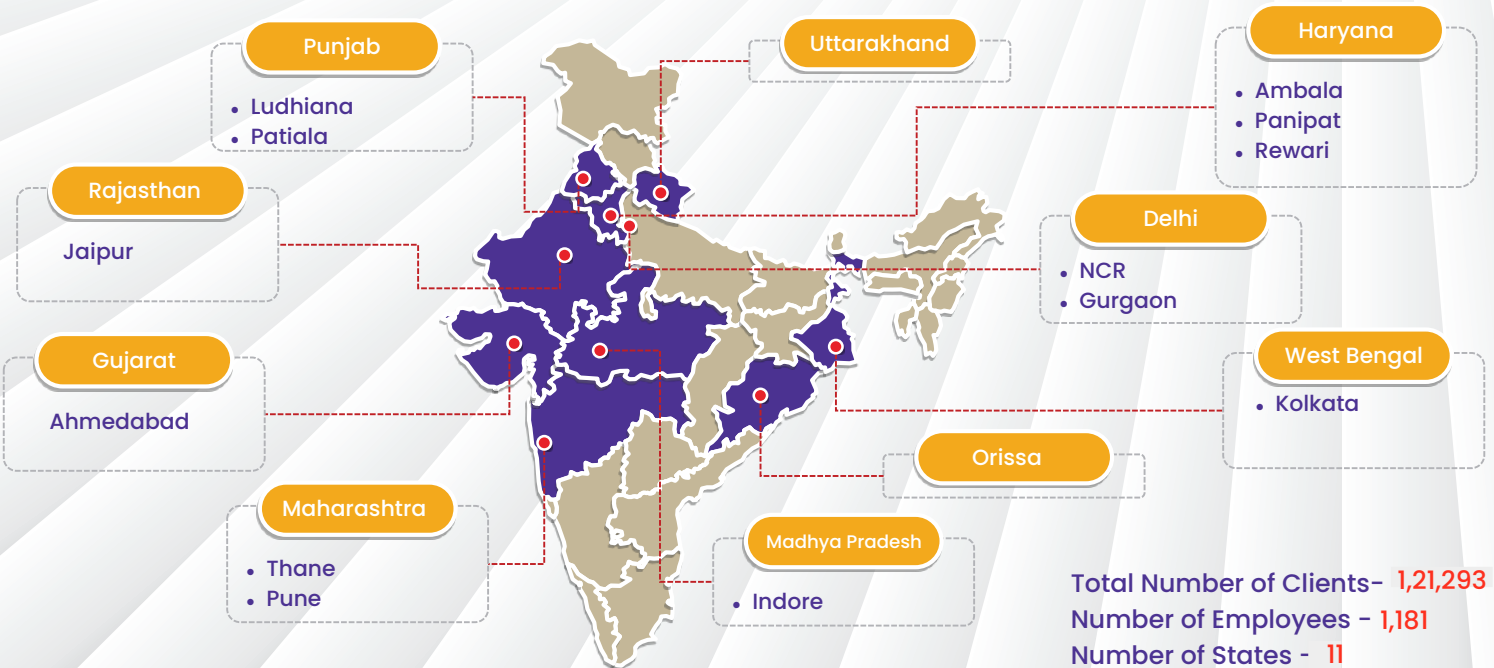
Manufacturing

- Textile and Garments Manufacturer & Job workers, Footwear Manufacturer, Bag Manufacturer, Wood & Plastic Furniture Manufacturer



GEOGRAPHIC PRESENCE*

as on March 31, 2024



Total Number of Clients- 1,21,293

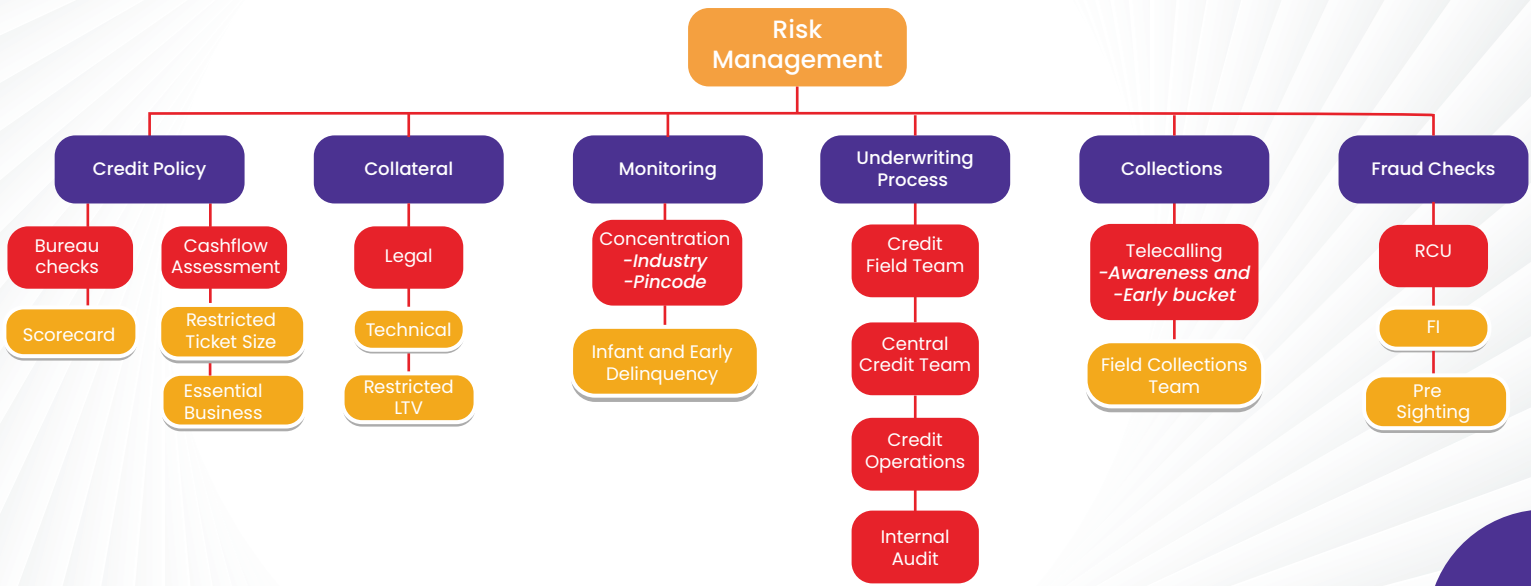
Number of Employees - 1,181

Number of States - 11

Number of Branches - 119

* Details of few of SME Branches

RISK MANAGEMENT



BOARD'S REPORT

Dear Members,

Your Board of Directors takes immense pleasure in presenting the 6th Board's Report of Satin Finserv Limited (“SFL” or “Company”), along with the Audited Financial Statements for the financial year ended March 31, 2024.

BACKGROUND

SFL was incorporated as a limited company on August 10, 2018 under the provisions of the Companies Act, 2013 (the ‘Act’) as a wholly owned subsidiary of the Satin Creditcare Network Limited. SFL is Non-Banking Finance Company engaged in the business of providing various financial services to entrepreneurs, MSMEs and individual businesses, and business correspondence services. SFL's aim is to “serve the small business owners (MSMEs) in a manner that is mutually beneficial” by providing them loans for their business needs. SFL has adopted a unique credit underwriting and assessment model to understand the income source and derive eligibility of the potential customers.

More information about the Company's services and operations can be accessed on its website at www.satinfinserv.com

FINANCIAL HIGHLIGHTS

The Financial Highlights of your Company are as follows:

Particulars	(In Rs. Lakhs)	
	March 31, 2024	March 31, 2023
Revenue from Operations	11,901.04	10,548.41
Other Income	239.47	102.28
Total revenue	12,140.51	10,650.69
Expenses		
Employee Benefit expenses	5755.34	5,318.41
Impairment on financial instruments	358.23	378.05
Finance cost	2,643.63	1,763.53
Depreciation and amortization expenses	156.44	174.89
Other expenses	2,523.35	2,194.41
Total expenses	11,436.99	9,829.29
Profit before Tax	703.52	821.40
Less: Tax Expenses	188.75	215.10
Profit after Tax	514.77	606.30
Add: Other comprehensive income	(3.24)	(8.20)
Total comprehensive income	511.53	598.10
Earnings per share		
Basic	0.36	0.38
Diluted	0.36	0.38

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, 2024, SFL had 33 branches of SME across 11 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 reported a profit after tax of Rs. 514.77 lakhs, compared to Rs. 606.30 lakhs for the previous year, resulting in a decrease of 15.09% in profit. This decline can be attributed to a 13.98% increase in total revenue, which rose from Rs. 10,650.69 lakhs to Rs. 12,140.51 lakhs, coupled with a 16.35% increase in total expenses, which grew from Rs. 9,829.29 lakhs to Rs. 11,436.99 lakhs.

During the period under review, your Company has disbursed Rs. 21,943.16 Lakhs in SME Business and Rs. 18,234.30 Lakhs in JLG Business. The Company has AUM of Rs. 32,637.32 Lakhs on book (SME Business) and INR 17,463.44 Lakhs off book (JLG Business) as on March 31, 2024.

AMALGAMATION OF TARAASHNA FINANCIAL SERVICES LIMITED IN THE COMPANY

The Hon'ble National Company Law Tribunal, Chandigarh Bench vide its order dated January 31, 2023 had approved the Scheme of Arrangement for Amalgamation of Taraashna Financial Services Limited with SFL and after requisite filing with Registrar of Companies, NCT of Delhi & Haryana, the said Scheme got effective from March 1, 2023. The Appointed Date of Scheme was April 1, 2021. Due to said Merger, there are impact on overall position of the Company, including financial number, branches, loans, borrowings details, etc.

OPERATIONAL HIGHLIGHTS

The Operational highlights are as under:

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Number of Branches	119	178
Number of Active Borrowers	1,21,293	2,69,023
Gross Loan Portfolio (in Lakhs)	32,637.32	22,557.32
Number of Employees	1181	1,612
Total Disbursement (in Lakhs)	21,943.16	12,742.20
No. of States (in Operation)	11	10

RESERVES

The Company is required to create a statutory reserve under Section 45IC of RBI Act, 1934 ("RBI Act") 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. During the year under review, an amount of Rs. 102.95 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, your directors have decided not to recommend any dividend for the financial year 2023-24.

CAPITAL STRUCTURE

Authorized Share Capital

As on March 31, 2024, the Authorized Share Capital of your Company stood at Rs. 158,00,00,000/- (Rupees One Hundred and Fifty Eight Crores only) divided into 15,80,00,000 (Fifteen Crores and Eighty Lakhs) Equity Shares of Rs.10/- (Rupees Ten only) each.

Issued and Paid-up Share Capital

As on March 31, 2024, the Issued and Paid up Share Capital of the Company stood at Rs. 157,55,78,920 (Rupees One Hundred Fifty Seven Crores Fifty Five Lakhs Seventy Eight Thousand Nine Hundred and Twenty only) divided into 15,75,57,892 (Fifteen Crores Seventy Five Lakhs Fifty Seven Thousand Eight Hundred and Ninety Two) equity shares of Rs. 10/- (Rupees Ten only) each.

BORROWINGS

During the period under review, the Company raised through Private placement of Redeemable NCDs an amount aggregating to Rs. 20 Crore (Rupee Twenty Crore Only). These NCDs are listed on BSE Limited ('BSE').

Details of Outstanding of Borrowings are given below:

(In Rs. Lakhs)

Sr. No.	Lender's Name	Type of Debt	Outstanding as on March 31, 2024	Outstanding as on March 31, 2023
1.	Northern Arc Capital Limited	Term Loan	1,006.00	512.38

2.	Caspian Impact Investments Private Limited	Term Loan	1,242.00	1,803.14
3.	MAS Financial Services Limited	Term Loan	2,311.00	2,150.00
4.	State Bank of India	Term Loan	898.00	1,402.97
5.	NETAFIM Agricultural Financing Agency Private Private Limited	Term Loan	419.00	576.09
6.	Maanaveeya Development & Finance Private Limited	Term Loan	2,191.00	933.64
7.	ICICI Bank Limited	Term Loan	685.00	562.50
8.	ESAF Small Finance Bank	Term Loan	1,670.00	1,000.00
9.	Vivriti Capital Private Limited	Term Loan	2,495.00	1,000.00
10.	Blacksoil Capital Private Limited	Term Loan	500.00	1,000.00
11.	MAS Financial Services Limited	PTC	453.00	702.76
12.	IKF Finance Limited	Term Loan	1,167.00	-
13.	Muthoot Capital Services Limited	Term Loan	469.00	-
14.	Nabkisan Finance Limited	Term Loan	992.00	250.00
15.	MAS Financial Services Limited	PTC	639.00	-
16.	Tourism Finance Corporation of India Limited	Term Loan	934.00	-
17.	Poonawalla Fincorp Limited	Term Loan	2,382.00	-
18.	MAS Financial Services Limited	PTC	733.00	-
19.	Clix Capital Services Pvt Ltd	PTC	2,106.00	-
20.	HDFC Bank Limited	Auto Loan	19.00	18.95
21.	Multiple Investors	NCDs	2,000.00	-
Total			25,311.00	11,912.43

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

DEPOSITS

During the year under review, your Company did not accept/ renew any deposits within the meaning of Section 73 of the Act and the Rules made thereunder.

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, read with Regulation 6 of Master Direction- Reserve Bank of India (Non- Banking Financial Company- Scale Based Regulation) Directions, 2023 to carry/continue its business as a Middle Layer category 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.

Please refer to Note no. 46 Notes to balance sheet for Capital to Risk Assets Ratio (“CRAR”) of the Company.

In line with the RBI guidelines for Asset Liability Management (ALM) system for NBFCs, the Company has an Asset Liability Management Committee which meets periodically to review its ALM risks and opportunities. The Company is also in compliance with the NBFC – Corporate Governance Norms and Master Direction-Reserve Bank of India (Non-Banking Financial Company-Scale Based Regulation) Directions, 2023 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 WITH SECRETARIAL STANDARDS

The Board of Directors affirm that the Company has complied with the applicable and mandatory Secretarial Standards issued by Institute of Company Secretaries of India.

CORPORATE GOVERNANCE

Your Company is committed to Integrity and transparency in all its dealings and places high emphasis on business ethics. The Board of your Company exercises its fiduciary responsibilities in the widest sense of term and endeavors to enhance long-term shareholder value. The Governance framework is anchored by the clearly defined policies and procedures covering areas such anti- bribery and anti-corruption, Prevention of Sexual Harassment at Workplace and Whistle Blower Policy.

A Corporate Governance Report as required under Master Direction-Reserve Bank of India (Non-Banking Financial Company-Scale Based Regulation) Directions, 2023 dated October 19, 2023, as amended, forms an integral part of this report.

MANAGEMENT AND DISCUSSION AND ANALYSIS REPORT

In accordance with the provisions of Master Direction- Reserve Bank of India (Non- Banking Financial Company-Scale Based Regulation) Directions, 2023 dated October 19, 2023. The Management and Discussion and Analysis Report forms an integral part of this report.

MATERIAL CHANGES AND COMMITMENT AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There were no material changes and commitments or event recorded after the close of financial year March 31, 2024 till the date of signing of Board's Report.

CHANGE IN NATURE OF BUSINESS

There were no change in the nature of Business of the Company during the year ended on March 31, 2024.

However, the Board of Directors and Shareholders in their respective meetings held on January 19, 2024 had approved the alteration in the main objects of Memorandum of Association of the Company by adding following new **clause no. 7:**

To establish and to carry on the business as selling agents or commission agents, business promoter by way of advertisement through any mode including printed display, sign boards, digital displays within and/or outside branches, on events such as loan mela(s), conference, gatherings, on digital platforms including websites, mobile apps, through banners and videos, email etc. of all kinds of electrical, electronics and mechanical machines, equipments and appliances including generator sets, washing machines, refrigerators, music systems, scooters, motorcycles, mopeds and other two- wheelers, cars, buses, vans, jeeps, trucks and tempos, data processing machines and equipments computer- software packages, fax machines and copying machines etc.

Further, your company has decided to exit the JLG Business as Business Correspondent on behalf of other Banks.

PARTICULARS OF LOAN, INVESTMENT OR GUARANTEE

During the year under review, in terms of the provisions of Section 186(1) of the Companies Act, 2013 ('Act'), the Company did not make any investments through more than two layers of investment Companies.

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 Act, read with rules made thereunder, as amended. Further, the details of investments made by the Company are given in the Notes to the Financial Statements.

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, 2024.

ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013, as amended from time to time the Annual Return for the financial year ended March 31, 2024 is available on the Company's website on <https://satinfinserv.com/annual-returns/>

RELATED PARTY TRANSACTIONS

All contracts/arrangements/transactions entered into by the Company during the Financial Year ended March 31, 2024 with related parties were in the ordinary course of business and on an arm's length basis. Prior approval is obtained for Related Party Transactions which are entered in the Ordinary Course of Business and are at Arm's Length. All Related Party Transactions and subsequent material modifications are placed before the Audit Committee for review and approval. Accordingly, the disclosure of RPTs as required under Section 134(3)(h) of the Act in **Form AOC-2** is not applicable. Further, details of Related Party Transactions as required to be disclosed as per Indian Accounting Standard - 24 "Related Party Disclosures" specified under Section 133 of the Act, are given in the Notes to the Financial Statements.

There was no material significant related party transaction made by your Company with its Promoters, Directors, Key Managerial Personnel's or other related party falling under the respective define of Related Party as per the Act and rules made there on including any amendments coming from time to time, which might have a potential conflict with the interest of the Company at large.

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 negative figure of average net profit of the Company during the three immediate preceding financial year. Further, the Board adopted CSR Policy is available at the website of the Company at www.satinfinserv.com.

DIRECTORS AND KEY MANEGERIAL PERSONEL (KMP)

1. Board of Directors

As on March 31, 2024, 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. Their details are as follows:

S. No.	Name of Director(s)	Category of Director(s)
1.	Mr. Harvinder Pal Singh	Non-Executive Director
2.	Mr. Bhuvnesh Khanna	Whole-Time Director & CEO
3.	Mr. Anil Kumar Kalra	Independent Director
4.	Mr. Sundeep Kumar Mehta	Independent Director
5.	Ms. Jyoti Ahluwalia	Independent Director

1(a) Appointment:

Mr. Bhuvnesh Khanna (DIN: 03323118) was initially appointed as CEO on January 19, 2024, and subsequently assumed the position of Whole Time Director & CEO on March 22, 2024, following approval by the shareholders at their Extra-Ordinary General Meeting.

1(b) Resignation/Cessation:

Mr. Sumit Mukherjee (DIN: 08369056), Whole Time Director & CEO of the Company, had resigned w.e.f August 31, 2023. The Board place on record its appreciation for the valuable contribution of Mr. Sumit Mukherjee in the sustained growth of the Company during his tenure.

2. Key Managerial Personnel:

During the year under review, Mr. Gurvinder Singh was appointed as Company Secretary & Chief Compliance Officer as a Whole Time Key Managerial Personnel of the Company w.e.f. January 20, 2024 in place of Mr. Puneet Jolly who had resigned w.e.f. December 19, 2023 (closure of business hours).

As on March 31, 2024, Mr. Bhuvnesh Khanna, Whole-time Director & CEO, Mr. Arjun Bansal, Chief Financial Officer & Head IT and Mr. Gurvinder Singh, Company Secretary & Chief Compliance Officer, are Key Managerial Personnel of your Company in accordance with the provisions of Sections 2(51) and 203 of the Act, read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The present term of Mr. Bhuvnesh Khanna, Whole Time Director & CEO of the Company shall expire on March 21, 2029.

Retire by Rotation

In accordance with the provisions of Section 152 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 for this year and being eligible, offer himself for re-appointment as Director. Brief resume and other details of Mr. Harvinder Pal Singh who is proposed to be re-appointed as a Director of the Company have been furnished, with the explanatory statement to the notice of the ensuing Annual General Meeting.

BOARD MEETINGS

The Board met 7 (Seven) times during the year under review. The meetings were held on April 22, 2023, July 21, 2023, September 18, 2023, October 23, 2023, December 14, 2023, January 19, 2024 and March 21, 2024. The details of the same have been included in the Corporate Governance Report, which forms an integral part of this Report.

AUDIT COMMITTEE

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

The Audit Committee, in compliance with recent RBI amendments, ensures that Information System Audits of the Internal Systems are conducted at least once every two years to assess the operational risks faced by the NBFCs. Additionally, 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, all the recommendation of Audit Committee were accepted by the Board of Directors of the Company. The Composition of the Audit Committee and its terms of reference and the details of meetings attended by the Audit Committee members are provided in Corporate Governance Report which forms an integral part of this Report.

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(6) read with Schedule IV of the Companies Act, 2013, the Board of Directors includes Independent Directors, ensuring an appropriate balance of skills, experience, and knowledge. This enables the Board to discharge its functions and duties effectively. The Company has a Board-approved Nomination & Remuneration Committee (NRC) in accordance with applicable RBI guidelines and the Companies Act, 2013,

ensuring that appointed directors are fit, qualified, and periodically evaluated. During the year under review, the Company received Declarations of Independence from all the Independent Directors, in compliance with Section 149(6) of the Companies Act, 2013, as well as declarations and undertakings from each director on fit and proper criteria per the provisions of the Master Directions – Reserve Bank Of India (Non-Banking Financial Company –Scale Based Regulation, 2023 dated October 19, 2023, as amended.

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, its Committees (mandatory under Secretarial Standard 1), Individual Directors and the Chairperson of the meetings was carried out for FY 2023-24. Accordingly, the performance evaluation has been done for FY 2023-24 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 (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, Nomination and Remuneration Committee and Board along with ratings.

The Independent Directors in their meeting held on March 21, 2024 has reviewed and forwarded to the Board the performance of Non-Independent Directors and Board as a whole of the Company taking into account the views of Directors of the Company for the FY 2023-24 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 Act, and rules/schedule made thereunder.

The Board approved NRC has evaluated the performance of the Board as a whole Directors, Non-executive Directors) and the Committees of the Board (mandatory under Secretarial Standard 1) in its meeting dated March 21, 2024 for the FY 2023-24 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 21, 2024 inter-alia has evaluated the performance of overall Board as a whole, Committees (mandatory under Secretarial Standard -1) and Individuals Directors of the Company for the FY 2023-24 as required under applicable laws. The Board found the overall performance "satisfactory" for FY 2023-24.

INDEPENDENT DIRECTORS MEETING

In compliance with Schedule IV of the Act, the Independent Directors held their separate meeting on March 21, 2024 inter alia, for the following:

1. To review the performance of Non-Independent Directors, the Board as a whole and the Chairperson (Taking into views of Executive and Non-Executive Directors).
2. To assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

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 director and the Board as a whole.

INTERNAL FINANCIAL CONTROL AND ITS ADEQUACY

Your Company has aligned its current systems of internal financial control with the requirement of the Act. 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 your Company has an integrated and robust Information Security Management System in its processes and information security.

WHISTLE BLOWER POLICY/VIGIL MECHANISM

Your 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 quarterly basis. During the period under review, the Company has not received any complaint under Whistle Blower Policy/Vigil Mechanism. The whistle Blower policy is also available at the Website of the Company at www.satinfinserv.com.

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 Board of Directors of your Company had recommended the re-appointment of M/s. **Rajeev Bhatia & Associates**, Chartered Accountants (ICAI Registration No. 021776N) for the second term of 5 years i.e. from the conclusion of Sixth Annual General Meeting to till the conclusion of Eleventh Annual General Meeting of the Company.

The Statutory Auditors have confirmed that they are not disqualified from continuing as Statutory Auditors of the Company. Further, the Board of Directors in their meeting held on July 24, 2024, 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 2024-25, 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.

The Auditors' Reports for the financial year 2024-25 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. The Board has placed on record its review appreciation for the services rendered by M/s. **Rajeev Bhatia & Associates**, Chartered Accountants, as a Statutory Auditor of the Company.

SECRETARIAL AUDITORS AND THEIR REPORT

The Board of Directors in their meeting held on April 22, 2023, 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 2023-24 for conducting the audit of the secretarial and related records of the Company. The Company had provided all the assistance and the facilities to the Secretarial Auditor for conducting the Secretarial Audit. The secretarial audit report is annexed to this Board's Report as **Annexure I**. There is no qualification, reservation or adverse remark made in the Secretarial Audit Report.

The Board has placed on record its review appreciation for the services rendered by M/s. S. Behera & Co. Company Secretaries, as a Secretarial Auditor of the Company.

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 quarterly basis for review and noting. The audit approach verifies, compliance with the regulatory, operational and system related procedures and controls. 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.

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.

REPORTING OF FRAUD BY AUDITORS

During the year under review, neither the statutory auditor nor the secretarial auditor has reported to the Audit Committee or to the Board, under section 143(12) of the Act, any instances of the fraud committed in the Company by its officers or employees, the details of which would need to be mentioned in the Board's Report. However, there have been one instance of misappropriation and criminal breach of trust including embezzlement of cash by the employees amounting to Rs. 1.76 Lakhs. In such cases, the action taken by the Company is to terminate the services of such employees and also initiate legal action against such employees.

DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to Section 134 of the Act, the Board of Directors of the Company confirm:

1. That in the preparation of the annual accounts for the financial year ended March 31, 2024, the applicable accounting standards have been followed along with proper explanations relating to material departure.
2. That they have 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, 2024 and of the profit and loss of the Company for the year ended on that date.
3. That they have 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 they have prepared the annual accounts for financial year ended March 31, 2024 on a going concern basis and;
5. That they have 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, 2024.

DEBENTURE TRUSTEE

During the year under review, the Company has allotted 2,000 (Two Thousand) Senior, Secured, Rated, Listed, Redeemable, Taxable, Non-Convertible Debentures ("NCDs" or "Debentures") of face value of Rs. 1,00,000/- (Rupees One Lakh only) each, aggregating up to Rs. 20,00,00,000/- (Rupees Twenty Crores Only) vide Working Committee resolution dated March 4, 2024. As per the requirement, the Company had appointed Axis Trustee Services Limited, having Corporate Office at The Ruby, 2nd Floor, SW, 29 Senapati Bapat Marg, Dadar West, Mumbai-400028, 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

The credit rating details of the Company as on March 31, 2024 were as follows:

Rating Agency	Facilities/Instruments	Amount (INR Crores)	Rating	Rating Action
ICRA Limited	Long-term fund-based bank facilities	80.00	[ICRA]A - (Stable)	New Rating
	NCD Programme	60.00	[ICRA]A- (Stable)	New Rating

INFORMATION ON MATERIAL ORDERS PASSED BY THE REGULATOR OR COURT OR TRIBUNAL

During the period under review, no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and operations of the Company in future.

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 2023-24. Further, pursuant to of the Act, 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 equipment.	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

Sustainability and Social Responsibility are an integral element of Corporate Strategy of the Company. 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 at www.satinfinserv.com.

However, as exempted under Section 135(9) of the Act, the Company was not required to constitute Corporate Social Responsibility Committee.

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 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, ("POSH ACT") the Company has adopted Sexual Harassment Policy approved vide Board of Directors 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, in order to comply with applicable laws, the annual return as required under POSH Act for calendar year ended December 31, 2023 was filed with concerned authorities within the prescribed timelines.

4. Policy on Nomination & Remuneration for Directors, Key Managerial Personnel (KMP) & Senior Management and other Employees

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel (KMP), Senior Management and other employees of the Company, to have diversified Board, to harmonize the aspirations of human resources consistent with the goals of the Company and in terms of Section 178 of the Act, as amended from time to time and Rules/Regulations/Guidelines/Notifications issued by RBI and SEBI from time to time. Your Company has in place Nomination and Remuneration Policy which is also available at 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.

DISCLOSURES UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016

Your Company has neither filed any application nor any proceeding pending under the Insolvency and Bankruptcy Code, 2016 during the reporting year, hence no disclosure is required under this section.

Further, there are no details required to be reported with regard to 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 as your Company has not done any settlement with any Bank or Financial Institutions since its inception.

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**

**Place: Gurugram
Date: July 24, 2024**

**Sd/-
Bhuvnesh Khanna
Whole-time Director & CEO
DIN: 03323118**

**Sd/-
Harvinder Pal Singh
Director
DIN: 00333754**

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED**MARCH 31, 2024 (Form No. MR-3)**

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

To,

The Members of**SATIN FINSERV LIMITED****(CIN: U65999HR2018PLC099128)**4th Floor, B wing, Plot No. 492, Udyog Vihar,

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** (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, 2024** complied with the statutory provisions stated hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **March 31, 2024** 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;
- 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 the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings- **Not applicable during the Financial Year under review;**
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’) to the extent applicable:
 - 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 during the Financial Year under review;**
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018- **Not Applicable during the Financial Year under review;**
 - d) The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2021- **Not Applicable during the Financial Year under review;**

- e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
 - 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, 2021- **Not during the Financial Year under review**; and
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018- **Not Applicable during the Financial Year under Review**;
- vi. The Company has identified and confirmed the following laws as being specifically applicable to the Company:
1. Rules, Regulations and Guidelines issued by the Reserve Bank of India as are applicable to NBFC - NDSI ICC which are specifically applicable to the Company.
 2. Local laws as applicable to all its branches and offices

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

- (i) Secretarial Standards with respect to Meetings of Board of Directors ('SS-1') and General Meetings ('SS-2') issued by The Institute of Company Secretaries of India; and
- (ii) The Listing Agreement entered by the Company with BSE Limited.

We report that, during the period under review, the Company has complied with the provisions of the Acts, Rules, Regulations, and Guidelines mentioned 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 Compliance Officer/Chief Financial Officer/Whole Time Director & CEO and respective departmental heads taken on record by the Board of Directors of the Company in their meetings and based on the review of the compliance mechanism established by the Company we are of the opinion that, adequate system and process exist in the Company commensurate with the size and operations of the company to monitor and ensure compliances with all applicable laws, rules, regulations and guidelines.

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 / Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, except where consent of directors was received for circulation of the agenda and notes on agenda at a shorter notice 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.
- All decisions of the Board and Committees thereof were carried out with requisite majority.

We further report that the Company is in compliance with Regulation 3(5) & 3(6) of SEBI (Prohibition of Insider Trading) Regulations, 2015 with respect to Structured Digital Database.

We further report that during the audit period the following specific events/actions have taken place in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above which may have a major bearing on the company's affairs:

- The Working Committee of the Board of Directors vide their meeting held on September 22, 2023 has approved the allotment of 1,70,43,033 equity shares of face value of INR 10 each (Indian Rupees Ten) with premium amount of INR 13.47 (Indian Rupees Thirteen and Forty-Seven Paise) to its Holding Company i.e. Satin Creditcare Network Limited;
- The members vide their EOGM dated January 19, 2024 has altered the Memorandum of Association of the Company by amending the Object Clause III (A) by inserting a new clause for commencement of all or any of the business proposed therein;
- The members vide their EOGM dated January 19, 2024 has altered the Articles of Association of the Company;
- The Working Committee of the Board of Directors vide their meeting held on March 4, 2024 has approved the allotment of 2,000 senior, secured, rated, listed, redeemable, taxable, non-convertible debentures denominated in INR, having a face value of INR 1,00,000 (Indian Rupees One Lakh) each and an aggregate face value of INR 20,00,00,000 (Indian Rupees Twenty Crore) ("Debentures"), issued on a private placement basis;
- The non-convertible debentures got Listed in BSE during the Financial Year under review;
- The members vide their EOGM dated March 21, 2024 has appointed Mr. Bhuvnesh Khanna as Whole Time Director of the Company for the term of 5 years effective from March 22, 2024 to March 21, 2029.

This report is to be read with our letter of even date which is annexed as **Annexure-A** and forms an integral part of this report.

For S. Behera & Co.
Company Secretaries

SD/-
Shesdev Behera
Proprietor
CP No. 5980
ICSI UDIN: F008428F000130066
Date: April 15, 2024
Place: New Delhi

To,
The Members of
SATIN FINSERV LIMITED
(CIN: U65999HR2018PLC099128)
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:

Management’s Responsibility

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor’s Responsibility

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We have conducted the Audit as per the applicable Auditing Standards issued by the Institute of Company Secretaries of India.
4. We believe that audit evidence and information obtained from the Company’s management is adequate and appropriate for us to provide a basis for our opinion.
5. Wherever required, we have obtained reasonable assurance whether the statements prepared, documents or records, in relation to Secretarial Audit, maintained by the Company, are free from misstatement.
6. Wherever required, we have obtained the management’s representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer

7. 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 affairs of the Company.
8. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

For S. Behera & Co.
Company Secretaries
SD/-

Shesdev Behera
Proprietor
CP No. 5980
ICSI UDIN: F008428F000130066
Date: April 15, 2024
Place: New Delhi

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

GLOBAL ECONOMY

Global recovery is steady but slow and differs by region

The global economic recovery remains steady but slow, with regional variations. The baseline forecast predicts a global economic growth rate of 3.2% in 2024 and 2025, mirroring the growth rate of 2023. Advanced economies are expected to see a slight uptick in growth from 1.6% in 2023 to 1.7% in 2024 and 1.8% in 2025. Conversely, emerging markets and developing economies are anticipated to experience a modest slowdown from 4.3% in 2023 to 4.2% in both 2024 and 2025. Over the next five years, global growth is projected to average 3.1%, the lowest in decades.

Global inflation is expected to decrease steadily, from 6.8% in 2023 to 5.9% in 2024 and further to 4.5% in 2025, with advanced economies achieving their inflation targets sooner than their emerging counterparts. However, core inflation is anticipated to decline more gradually.

Emerging markets, especially the G20 economies like China, play a significant role in the global economy, accounting for about one-third of world GDP and one-quarter of global trade. Economic shocks in these regions have substantial spillover effects on global activity. Trade, particularly through global value chains, is a key channel for these spillovers. A plausible growth acceleration in G20 emerging markets, excluding China, could support global growth and have positive ripple effects worldwide. Policymakers should prepare for potential shocks by maintaining adequate buffers and strengthening policy frameworks to manage potential shocks from these economies.

World Economic Outlook Growth Projections

(Real GDP, annual percent change)	PROJECTIONS		
	2023	2024	2025
World Output	3.2	3.2	3.2
Advanced Economies	1.6	1.7	1.8
United States	2.5	2.7	1.9
Euro Area	0.4	0.8	1.5
Germany	-0.3	0.2	1.3
France	0.9	0.7	1.4
Italy	0.9	0.7	0.7
Spain	2.5	1.9	2.1
Japan	1.9	0.9	1.0
United Kingdom	0.1	0.5	1.5
Canada	1.1	1.2	2.3
Other Advanced Economies	1.8	2.0	2.4
Emerging Market and Developing Economies	4.3	4.2	4.2
Emerging and Developing Asia	5.6	5.2	4.9
China	5.2	4.6	4.1
India	7.8	6.8	6.5
Emerging and Developing Europe	3.2	3.1	2.8
Russia	3.6	3.2	1.8
Latin America and the Caribbean	2.3	2.0	2.5
Brazil	2.9	2.2	2.1
Mexico	3.2	2.4	1.4
Middle East and Central Asia	2.0	2.8	4.2
Saudi Arabia	-0.8	2.6	6.0
Sub-Saharan Africa	3.4	3.8	4.0
Nigeria	2.9	3.3	3.0
South Africa	0.6	0.9	1.2
Memorandum			
Emerging Market and Middle-Income Economies	4.4	4.1	4.1
Low-Income Developing Countries	4.0	4.7	5.2

Source: IMF, World Economic Outlook, April 2024

Note: For India, data and forecasts are presented on a fiscal year basis, with FY 2023/24 (starting in April 2023) shown in the 2023 column. India's growth projections are 6.9 percent in 2024 and 6.5 percent in 2025 based on calendar year.

INDIAN ECONOMY

India's economy demonstrated robust growth, expanding by 7.8% year-on-year in the first quarter of 2024, with expectations of continued momentum. The Reserve Bank of India (RBI) facilitated this growth with a record surplus transfer of ₹2.11 trillion (\$25.3 billion), aiding government spending and economic stimulation.

In FY 2023-24, India's GDP grew by an impressive 8.2%, supported by strong investment, subdued private consumption, and significant contributions from discrepancies in GDP components. Real GDP is estimated to have reached ₹173.82 lakh crore in 2023-24, reflecting an 8.2% growth from the previous year.

Looking forward, the Indian economy is projected to grow at 6.8% in the current fiscal year (FY25), driven by strong domestic demand and robust growth in the manufacturing and services sectors. Real GDP growth for 2024-25 is forecasted at 7%.

India's GDP growth accelerates

The Indian economy grew by 8.2% in 2023-24, showing an increase from the 7% growth in the previous fiscal.



Note: India's fiscal year runs from April to March
 Source: MoSPI, PIB | Reuters, May 31, 2024 | By Sumanta Sen
 Reuters Graphics

It expects the economy to grow at 6.8% in the current fiscal year starting April, and close to 7% annually over the next three years.

The gross domestic product growth in January-March quarter was lower than a revised 8.6% expansion in the previous quarter, but higher than 6.7% forecast by economists. India's economic growth for the FY 2023-24 was revised up to 8.2%, also the highest among large economies globally, from an earlier government estimate of 7.6%.

In the January-March quarter, the headline growth figure was boosted by a sharp fall in subsidies, while gross value added (GVA), seen by economists as a more stable measure of growth, rose 6.3%, data showed.

For the previous quarter, GVA growth was revised to 6.8%.

GVA growth slows down in Q4 2023-24

In the March quarter of 2023-24, gross value added rose by 6.3% and gross domestic product grew by 7.8%.



Note: India's fiscal year runs from April to March.

Source: Ministry of Statistics and Programme Implementation, Govt. of India, Reuters poll | Reuters May 31, 2024 | By Sumanta Sen

INFLATION

Retail inflation eased to 4.85 percent in March 2024, down from 5.09 percent in February 2024, as per the Ministry of Statistics and Programme Implementation (MoSPI). The combined Consumer Food Price Index (CFPI) stood at 8.52 percent for March 2024. This moderation in inflation is primarily due to price increases in food articles, electricity, crude petroleum, natural gas, machinery, and equipment.

NBFCs have emerged as key facilitators of credit to growing segments, including MSMEs (micro, small and medium enterprises), agriculture, start-ups, entrepreneurs, self-employed and rural population seeking personal loans. An RBI report on the performance of the banking sector during 2022-23 and 2023-24 revealed that while credit to MSMEs through banks grew by 12.7 % and 12.4 % year -on-year (YoY) as of March 2022 and March 2023, the corresponding figures for NBFCs was 21.2 % and 42.4 % respectively—roughly twice over.

FUTURE PROJECTION

Indian economy is projected to expand by 6.6 per cent in the current fiscal year (FY25). Real GDP growth for 2024-25 is projected at 7% with Q1 at 7.2%; Q2 at 6.8%; Q3 at 7.0%; and Q4 at 6.9%. Moody's anticipates loans at NBFCs to grow by about 15 percent over the next 12-18 months, driven by infrastructure financing by large government-owned NBFCs and loans to SMEs. The sector's profitability is expected to remain strong despite rising funding costs, supported by robust economic growth and strong Credit demand.

OUTLOOK

The Indian economy's positive outlook, supported by robust domestic demand, strong credit growth, and government initiatives, bodes well for the NBFC sector. Strategic collaborations, technological advancements, and a focus on financial inclusivity will be crucial for the sector's success in 2024 and beyond.

As NBFCs continue to adapt to the evolving regulatory and economic landscape, their role in achieving the goals outlined in the Atmanirbhar Bharat vision will be pivotal. The sector's future appears promising, with projected growth driven by strong credit demand and economic recovery.

INDUSTRY OVERVIEW: STRUCTURE AND DEVELOPMENT

The Indian financial system plays a crucial role in the economic development of the country. It effectively manages the flow of funds between households, who save, and investors or businesses, who can utilize these funds for productive investments, benefiting both parties. The financial services sector in India exemplifies the progress and potential of the economy. Projected to grow significantly through 2035, this sector is driven by increasing incomes, a strong government emphasis on financial inclusion, and the widespread adoption of digital technologies. By 2030, digital payments in India are expected to surpass \$1 trillion, highlighting the sector's rapid evolution and future opportunities.

Growth in Demand for Commercial Loans

The demand for commercial loans surged by 29% in the July-September 2023 quarter compared to the same period in 2022, driven by increased economic activity. The credit demand for MSMEs at Non-Banking Financial Companies (NBFCs) grew the fastest at 39% during this quarter, representing 14% of the total credit demand.

Growth in Credit Supply

Credit supply to MSMEs increased by 20% year-on-year (YoY) in the July-September 2023 quarter, indicating improved lender confidence. Commercial credit lending continues to maintain its overall growth, building on the initial boost provided by the Emergency Credit Line Guarantee Scheme (ECLGS) launched by the Government of India to support the MSME sector. Enhanced and timely credit data availability and the rapid implementation of digital lending infrastructure have significantly contributed to this improved confidence. There was a 7% YoY growth in borrowers availing loans under INR 1 crore (Micro segment), while the value of loans sought by borrowers for amounts greater than INR 10 crore (Medium segment) decreased.

Retail Assets Under Management (AUM) of NBFCs

The Retail AUM of NBFCs (excluding Housing Finance Companies - HFCs) continued its growth momentum in Q2 FY2024, expanding by 29% YoY. ICRA projects the NBFC-Retail segment to grow by 21-23% in FY2024, slightly lower than the growth observed in the first half of FY2024 due to the base effect from the expansion in the second half of FY2023. Growth is expected to moderate further in FY2025 due to tighter market liquidity expectations and the large base created by strong growth in FY2023 and FY2024.

Unsecured and Secured Loan Segments

The unsecured loan segment, comprising personal loans (PL), consumer loans (CL), unsecured SME loans, and microfinance institution (MFI) loans, which fuelled growth in the previous fiscal year, continued to support growth in the first half of FY2024. However, the growth of PL and CL is expected to slow down in H2 FY2024 and FY2025 due to recent regulatory measures. The secured NBFC-Retail AUM, which includes vehicle finance (VEF), gold loans (GL), and small business loans (SBL), is forecasted to grow by 18-20% in FY2024 and 16-18% in FY2025.

Funding Requirements and Liquidity Management

The incremental funding requirement (in addition to refinancing existing/maturing debt) is estimated at around Rs.3 trillion annually for FY2024 and FY2025. As the share of bank credit to NBFCs is expected to remain constrained, these entities will need to increase funding from other sources, including market issuances and securitization, to achieve the anticipated growth. NBFCs are also reducing on-book liquidity to fund a portion of their disbursements.

Credit Costs and Profitability

Over the past two years, NBFCs (excluding HFCs) have reduced their provisions. While credit costs have remained stable in FY2024, incremental provisioning required for loan growth and potential loan losses in FY2025 is expected to lead to a slight increase in credit costs compared to the previous fiscal year. Regulatory developments and tighter liquidity conditions are anticipated to increase the weighted average cost of funds (CoF)

by 30-50 basis points (bps) in H2 FY2024 and an additional 20-40 bps in FY2025. As most NBFCs have a fixed-rate loan book, they are likely to face margin pressure in FY2025. This, combined with the stabilization of credit costs, is expected to moderate net profitability by 20-40 bps in FY2025 compared to FY2024.

Capitalization and Growth Targets

The capitalization profile of NBFCs is expected to remain adequate to meet growth targets. Some entities with tighter capital positions may raise additional capital, driven by new regulatory requirements such as risk weights on consumer credit and leverage guidelines. If strong growth continues, more entities are likely to raise capital in the next fiscal year. Profitability of NBFCs is expected to moderate by 20-40 bps YoY in FY2025, with an incremental funding requirement of approximately Rs. 3.0 trillion. Entities will continue to reduce on-book liquidity due to margin pressures.

Ref: CIBIL-SIDBI MSME Pulse Report and Report of ICRA released on Jan 24

REGULATORY CHANGES

The RBI has introduced several regulatory changes to enhance the stability and functioning of NBFCs and SFL ensure the compliance of the same.

- 1. Increase in NOF:** The net owned fund (NOF) requirement for NBFCs has been increased from ₹2 crore to ₹10 crore in a phased manner, with specific deadlines set for different categories of NBFCs.
- 2. NPA Classifications:** The NPA classification norm has been revised to a more stringent overdue period of more than 90 days for all NBFCs by March 31, 2026.
- 3. Risk Management Committee:** NBFCs are now required to constitute a Risk Management Committee to evaluate and manage overall risks, including liquidity risks.
- 4. Leverage Ratio:** The leverage ratio for NBFCs (except NBFC-MFIs) is capped at seven.
- 5. Standard Asset Provisioning:** NBFCs are required to make provisions for standard assets at 0.25 percent of the outstanding.
- 6. Disclosures:** Expanded disclosure requirements include exposure types, related party transactions, and loans to directors/senior officers.

FINANCIAL AND OPERATIONAL PERFORMANCE

FINANCIAL PERFORMANCE

For the financial year ending March 31, 2024, our company recorded a profit of Rs. 514.77 lakhs, compared to Rs. 606.30 lakhs in the previous year. This decrease in profit is primarily attributable to the high finance costs, including interest paid on debt.

Particulars	(In Rs. Lakhs)	
	March 31, 2024	March 31, 2023
Total revenue	12,140.51	10,650.69
Expenses		
Total expenses	11,436.99	9,829.29
Profit before Tax	703.52	821.40
Less: Tax Expenses	188.75	215.10
Profit after Tax	514.77	606.30
Add: Other comprehensive income	(3.24)	(8.20)
Total comprehensive income	511.53	598.10
Earnings per share		
Basic	0.36	0.38
Diluted	0.36	0.38

The total revenue for the year stood at Rs. 12,140.51 lakhs, up from Rs. 10,650.69 lakhs in the previous year, reflecting a year-on-year increase. Despite the increase in revenue, total expenses also rose from Rs. 9,829.29 lakhs to Rs. 11,436.99 lakhs, which impacted the profitability. Company is working on increasing operational

efficiency and will bring down the overall operational expenses in effective way and by achieving economies of scale.

OPERATIONAL PERFORMANCE

Company Overview

Satin Finserv Limited (“SFL”) was incorporated as a limited company on August 10, 2018 under the provisions of the Companies Act, 2013 as a wholly owned subsidiary of the Satin Creditcare Network Limited. SFL is Non-Banking Finance Company engaged in the business of providing various financial services to entrepreneurs, MSMEs and individual businesses, and business correspondence services.

SFL’s aim is to ‘Serve the small business owners (MSMEs) in a manner that is mutually beneficial’ by providing them loans for their business needs. SFL has adopted a unique credit underwriting and assessment model to understand the income source and derive eligibility of the potential customers.

Ownership and Strategic Focus

The primary objective of SFL is to provide financing solutions to the SME, MSME, and self-employed segments, as well as to serve as Business Correspondents on behalf of various banks and financial institutions. SFL’s entry into the MSME and self-employed loan segments addresses the significant gap in access to organized finance for these groups. SFL aims to bridge the financial inclusion gap and support the growth and sustainability of SMEs and MSMEs in India.

Market Share and Presence

SFL has a significant presence across 11 States through 33 branches dedicated to SME/MSME lending across 1705 locations. Geographical expansion, large customer reach continue to be critical pillars of the Company’s growth. It focuses on two broad categories: (i) MSME Lending, (ii) Commercial Lending. The company’s asset size stands at Rs. 461.19 crores. Total Assets Under Management (AUM) for the company is was 501.01 Crores out of this Rs 326.37 Pertains to On Book and remaining Rs 174.63 related to Off Book. FDR balance for FLDG stood at Rs. 34.63 Crore. *Please refer note no. 36 of Balance sheet for Detail of institution wise AUM.* As on 31 March 2024, SFL’s borrowings stood at Rs. 255.06 Crores. As on 31 March 2024, SFL gross NPA at Rs. 14.09 crore and net NPA at Rs. 8.62 Crore.

Disbursements

Out of the total disbursement of Rs. 401.77 Crores, the company allocated 219.43 Crores to the MSME sector, representing 55%, with the remaining disbursements spread across other sectors. This strategic allocation underscores our commitment to supporting the MSME sector, which is a critical component

SEGMENT-WISE PERFORMANCE

Industry Category	Performance
Agriculture	Agri Business, Dairy, Agri Equipment, Agri Chemicals/Fertilizers, Cattle Feed, Animal Husbandry & Poultry
Retail	Retail/Trading, Kirana/General Store, Chemist, Cloth Merchants, Footwear Retailers, Hardware, Electrical, Sanitary Wear Traders/Retailers
Construction	Cement and Steel Traders, Wood and Plastic Traders
Consumer Goods	Consumer Durables Traders, Bakery/Sweet Shops, Bottled Water

Services	Service (Restaurants, Auto Service Centers, Diagnostic Centers, Tailoring/Job Work, Plumbing Work/Electrician, Tent House Businesses)
Manufacturing	Textile and Garments Manufacturer & Job workers, Footwear Manufacturer, Bag Manufacturer, Wood & Plastic Furniture Manufacturer

Below grid represents products offering by SFL:

Product	Purpose	Ticket Size	Tenor	Collateral	Eligibility Criteria
Small Ticket Business Loan	Income Generation Activities, Working Capital, Long-term (3-5 years) or Short-term (1 to <3 years) Financing	1.5L to 3.5L	60 Months	Property	Minimum age: 22, Business stability of minimum 3 years
Large Ticket Business Loan	Term Loans	Up to 5Cr	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 0.65L	24 Months	Unsecured	Minimum age: 18, Maximum household income <3L, Annual household obligation to be 50% of annual household income

HUMAN RESOURCES

The Company has always prioritised providing its employees with a discrimination-free environment that promotes diversity and inclusion.

Employee-centricity has always been a paramount concern for the organization, and your Company has implemented various policies and initiatives to ensure the well-being of its employees. These include provisions such as advance against medical exigency leaves, Satin Sahyog, Satin Ease, and Satin Suraksha, leaving no stone unturned in prioritizing employee welfare. Frequent training programs and extra curriculum activities are conducted by the Company to enhance the skills and capabilities of its workforce and to motivate the employees.

SFL has a robust framework for employee engagement that facilitates the development and retention of a highly motivated team. In an effort to strengthen the Company's journey into the future, it is providing specialised training to its employees in accordance with its mission and strategy. The training and development initiatives of the Company enable employees to acquire the technical and behavioural skills necessary for their professional and personal development. As of March 31, 2024, the Company employed total no. of 1192 individuals, with 40 no of women.

Opportunities

- **Geographical Expansion:** Expanding geographical reach and increasing the customer base offers opportunities to further penetrate underserved regions.
- **Strategic Partnerships:** As the Indian market matures have the opportunity to collaborate with Indian financial services companies, leveraging their competitive strengths in asset management, general insurance, and fintech.
- **Government Initiatives:** Increased government spending in the MSME segment aims to boost start-up businesses, thereby driving demand for MSME loans. Additionally, Govt. introduced various schemes for NBFC for their funding.

- **Rural Market Penetration:** Expanding into rural markets to finance working capital requirements presents significant growth opportunities.
- **Regulatory Advantages:** Stricter government regulations and norms to restrict competition and deter the entry of unorganized players will benefit established industry leaders.

Threats

- **Intensified Competition:** There is growing competition from captive finance companies, small banks, fintech firms, and new market entrants, which poses significant challenges.
- **External Risks:** Liquidity stress, political uncertainties, and fiscal slippage concerns present external risks that can impact operations.
- **Product and Technology Competition:** Increasing competition from global and local competitors in product development and technological innovations leaves very little room for error.
- **Regulatory and Compliance Changes:** Regulatory and compliance-related changes in the sector can adversely affect NBFCs, necessitating continuous adaptation and compliance.
- **International Conflicts:** The global economy has been significantly disrupted by various international conflicts, such as the ongoing war between Israel and Hamas. These tensions, particularly involving Israel and Iran, threaten market stability and impact crude oil prices, thereby affecting the Indian economy. The World Bank's latest India Development Update (IDU) revised India's growth rate for the fiscal year 2023-24 to 6.3% from the previous 7.2%, citing "intensifying global headwinds." These conflicts highlight the interconnected nature of global economies and the importance of geopolitical stability for sustained economic growth.
- **Data Privacy Concerns:** The generation, collection, processing, and storage of vast amounts of data raise significant privacy concerns. Global regulators emphasize the need for accountability in handling personal customer data, necessitating robust controls to avoid penalties and disruptions.
- **Statutory Recovery Challenges:** Recovering dues from customers is a challenging task, leading to fluctuations in the company's profitability.
- **Limited Leverage Ratio:** As a middle-layer NBFC, the company must maintain a Capital Adequacy Ratio (CAR) comprising Tier 1 and Tier 2 capital, which should be no less than 15% of its aggregate risk-weighted assets on the balance sheet and the risk-adjusted value of off-balance sheet items. This requirement imposes constraints on leveraging capabilities.

RISKS/ CONCERNS

- **Cybersecurity and Operational Risks**

NBFCs face significant cybersecurity threats, including data breaches and unauthorized access to sensitive information. To mitigate these risks, Your Company constituted Information Technology Committee, who conduct regular risk assessments and deploy advanced security technologies.

- **Climate Risk**

Climate change has emerged as a significant and comprehensive global concern, affecting various aspects of human existence. The Financial sector, including non-banking Financial companies (NBFCs), is not exempt from this concern.

- **Liquidity Risks**

The Company maintains a flexibility in funding by maintaining availability under committed credit lines. The Company's liquidity risk is managed through a comprehensive framework of policies and processes approved by the Asset Liability Management Committee (ALCO).

- **Interest Rate Risk**

The risk arising from a financial loss, owing to unfavourable interest rates for both lending and treasury operations. It has a significant influence upon a company's net-interest income and profitability.

- **MSME Finance Risk**

MSME Financing risk refers to the potential for financial losses or adverse outcomes associated with providing Financial services to Micro, Small, and Medium Enterprises. This risk arises from factors such as creditworthiness, market conditions, operational challenges, regulatory compliance, interest rate fluctuations, technological advancements, and external shocks.

- **Market Risk**

Market risk is the potential risk of Financial loss arising from adverse movements in market factors, such as interest rates, credit spreads, foreign exchange rates, commodity prices, and others, that impact earnings and capital. To mitigate this risk the Board of Directors constituted The Asset Liability Management Committee (ALCO)

- **Credit Risks from Rule-Based Credit Models**

While rule-based credit engines enhance efficiency, NBFCs must recognize their limitations and continuously monitor and validate credit scoring models. Overreliance on historical data or algorithms can lead to inaccuracies, necessitating regular recalibration and validation of these models.

For more understanding, please refer to point no. 41 of Notes to Balance sheet.

Strong Risk Management:

Strong and effective risk management helps the Company to mitigate financial losses, ensure regulatory compliance and enhance client confidence. For identifying and addressing potential risks, the Company constituted **Risk Management Committee**, to ensure safeguards the Compliances, mitigate potential risks, improves operational efficiency, capitalise the opportunities and report the deviation to the Board. Effective risk management practices and policies enable the Company to navigate market uncertainties and maintain a competitive edge in the industry. For more detail, please refer Note No. 41 of the balance Sheet tabled under Financial Section.

INTERNAL CONTROLS AND 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 in all departments. The Statutory Auditors also review and specify the internal financial controls in its report.

Disclaimer

This document contains statements about expected future events and financials of Satin Finserv Limited (SFL), which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward looking statements. Accordingly, this

document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis section of this Annual Report.

CORPORATE GOVERNANCE REPORT

1) Composition of the Board

As on March 31, 2024, the Board of Directors of Satin Finserv Limited (the 'Company') as tabled below:

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 Company
					Held	Attended		Salary and other compensation	Sitting Fee	Commission	
1.	Mr Harvinder Pal Singh	August 10, 2018	Non-Executive	0033 3754	7	7	7	-	-	-	Nil
2.	Mr. Anil Kumar Kalra	August 10, 2018	Independent	0736 1739	7	7	2	-	2.20 Lakhs	-	Nil
3.	Mr. Sundeep Kumar Mehta	August 10, 2018	Independent	0084 0544	7	7	2	-	1.90 Lakhs	-	Nil
4.	Ms. Jyoti Ahluwalia	March 30, 2021	Independent	0911 2407	7	7	1	-	0.70 Lakhs	-	Nil
5.	Mr. Bhuvnesh Khanna	March 22, 2024	Executive	0332 3118	-	-	-	32.39 Lakhs	-	-	Nil

Details of change in composition of the Board during the current and previous Financial Year:

S.No.	Name of Director	Capacity (i.e. Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Nature of Change (resignation, appointment)	Effective Date
1	Mr. Sumit Mukherjee	Executive	Resignation	August 31, 2023
2	Mr. Bhuvnesh Khanna	Executive	Appointment	March 22, 2024

During the period under review, there was no change in the Independent Directors of the Company. Further states that there is no relationship amongst the directors of the Company.

2) Committees of the Board and their Composition

i) Audit Committee:

The Audit Committee constituted in terms of section 177 of the Companies Act, 2013 and in terms of RBI guidelines. As on March 31, 2024, the Committee comprises of (Three) members including 2 (Two) Independent Directors and 1 (One) Non-Executive Non-Independent Director.

The composition and details of the attendance of the Directors at the Audit Committee meetings during the financial year 2023-24 are given below:

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 the Company
				Held	Attended	
1.	Mr. Sundeep Kumar Mehta	January 31, 2019	Chairman	5	5	Nil
2.	Mr. Harvinder Pal Singh	January 31, 2019	Non-Executive	5	5	Nil
3.	Mr. Anil Kumar Kalra	January 31, 2019	Independent	5	5	Nil

Terms of reference of Audit Committee are as under:

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

ii) 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 Master Directions issued by RBI. As on March 31, 2024, NRC comprises of 3 (Three) members including 2 (Two) Independent Directors and 1 (One) Non-Executive Non-Independent Director.

The composition and details of the attendance of the Directors at the NRC meetings during the financial year 2023-24 are given below:

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 the Company
				Held	Attended	
1.	Mr. Sundeep Kumar Mehta	January 31, 2019	Chairman	3	3	Nil
2.	Mr. Harvinder Pal Singh	January 31, 2019	Non-Executive	3	3	Nil
3.	Mr. Anil Kumar Kalra	January 31, 2019	Independent	3	3	Nil

Terms of reference of NRC are as under:

- 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 and shall carry out evaluation of every director's performance;
- 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;
- Ensure and determine that the Board comprises of a balanced combination of Executive Directors and Non-executive Directors and also the Independent Directors and size of the Board and its diversity;
- Devise framework to ensure that Directors are inducted through suitable familiarization process covering their roles, responsibility and liability and ensuring that there is an appropriate induction & training programme in place for new Directors and members of Senior Management and other employees of the Company and reviewing its effectiveness;
- Decide / approve details of fixed components and performance linked incentives (if any) along with the performance criteria;
- Identifying and recommending Directors who are to be put forward for retirement by rotation;
- Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
- Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their Service contract;
- Delegating any of its powers to one or more of its members or the Secretary of the Committee;
- Recommend any necessary changes to the Board;
- Considering any other matters as may be requested by the Board; and to consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board;
- To approve the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company;
- To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management;
- To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management;
- To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations;
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage;
- To devise a policy on Board diversity;
- To develop a succession plan for the Board and to regularly review the plan;
- Formulation of criteria for evaluation of Independent Director and the Board;
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage;
- To implement and monitor policies and processes regarding principles of corporate governance;
- Recommend to the board, all remuneration, in whatever form, payable to senior management;
- Oversee the formulation and implementation of ESOP Schemes, its administration, supervision and formulating detailed terms and conditions in accordance with applicable laws;
- To evaluate case by case before finalizing issue of Equity Shares to employees under ESOP, formulate and evaluate policies and procedures of ESOP and other related activities;
- Any other matter as required by the applicable laws and defined by the Board, from time to time.

iii) Risk Management Committee:

The Risk Management Committee ("RMC") constituted in terms of applicable Master Directions issued by RBI. As on March 31, 2024, RMC comprises of 4 (Four) members including 2 (Two) Independent Directors, 1 (One) Non-Executive Non-Independent Director and 1 (One) Internal Executive.

The composition and details of the attendance of the Directors at the RMC meetings during the financial year 2023-24 are given below:

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 the Company
				Held	Attended	
1.	Mr. Sundeep Kumar Mehta	May 2, 2019	Independent	2	2	Nil
2.	Mr. Anil Kumar Kalra	May 2, 2019	Independent	2	2	Nil
3.	Mr. Harvinder Pal Singh	May 2, 2019	Non-Executive	2	2	Nil
4.	*Mr. Sumit Mukherjee	August 3, 2021	Executive	2	1	Nil
5.	Mr. Surojit Chatterjee	October 21, 2022	Head- Credit & Risk	2	2	Nil

*Mr. Sumit Mukherjee (DIN: 08369056), Whole Time Director & CEO of the Company, had resigned w.e.f August 31, 2023.

Terms of reference of RMC are as under:

- Recommend to the board and then formally announce, implement and maintain a sound system of risk oversight, management and internal control which:
 - ✓ Identifies, assesses, manages and monitors risk; and
 - ✓ Allows investors and other stakeholders to be informed of material changes to the company's risk profile.
- Recommend to the board and then formally announce clear standards of ethical behaviour required of the senior management as well as the staff.
- In discharging its responsibility, the committee is to develop and seek Board approval for a range of specific duties that it is to carry out. Such duties will vary depending on the company's circumstances, the committee's responsibilities and, in particular, the role of the Board and other committee, such as internal audit, operations, finance etc.
- To carry out any other function as may be delegated by the Board of directors of the Company from time to time.

iv) Asset Liability Management Committee:

The Asset Liability Management Committee (“ALMC”) constituted in terms of applicable Master Directions issued by RBI. As on March 31, 2024, ALMC comprises of 3 (Three) members including 1 (One) Executive Director, 1 (One) Non-Executive Non-Independent Director and 1 (One) Internal Executive.

The composition and details of the attendance of the Directors at the ALMC meetings during the financial year 2023-24 are given below:

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 the Company
				Held	Attended	
1.	*Mr. Sumit Mukherjee	February 22, 2019	Executive	2	2	Nil

2.	Mr. Harvinder Pal Singh	February 22, 2019	Non-Executive	2	2	Nil
3.	Mr. Arjun Bansal	August 3, 2021	Chief Financial Officer	2	2	Nil
4.	**Mr. Bhuvnesh Khanna	January 19, 2024	Executive	2	1	Nil

*Mr. Sumit Mukherjee (DIN: 08369056), Whole Time Director & CEO of the Company, had resigned w.e.f August 31, 2023.

**Mr. Bhuvnesh Khanna (DIN: 03323118) has been appointed as Chief Executive Officer w.e.f. January 19, 2024 and subsequently appointed as Whole Time Director & CEO w.e.f. March 22, 2024.

Terms of reference of ALMC are as under:

- To address concerns regarding asset liability mismatches,
- To address Interest rate risk exposure,
- To Achieve optimal return on capital employed while maintaining acceptable levels of risk including and relating to liquidity, market and operational aspects,
- Adhering to the relevant policies and regulations,
- To carry out any other function as is mentioned in the terms of reference of the ALM committee and also in terms of any other applicable guidelines or any other applicable law and
- To carry out any other function as may be delegated by the Board of directors of the Company from time to time.

v) IT Strategy Committee:

The IT Strategy Committee (“ITSC”) constituted in terms of applicable Master Directions issued by RBI. As on March 31, 2024, ITSC comprises of 6 (Six) members including 2 (Two) Independent Directors, 1 (One) Executive Director, 1 (One) Non-Executive Non-Independent Director and 2 (Two) Internal Executives.

The composition and details of the attendance of the Directors at the ITSC meetings during the financial year 2023-24 are given below:

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	May 2, 2019	Independent	4	4	NA
2.	Mr. Harvinder Pal Singh	January 19, 2024	Non-Executive	4	1	NA
3.	Mr. Anil Kumar Kalra	January 19, 2024	Independent	4	1	NA
4.	Mr. Bhuvnesh Khanna	January 19, 2024	Executive	4	1	NA
5.	Mr. Arjun Bansal	August 3, 2021	Chief Financial Officer	4	4	NA
6.	Mr. Sunil Yadav	August 3, 2021	Head – IT (SCNL)	4	4	NA
7.	*Mr. Sumit Mukherjee	May 2, 2019	Executive	4	1	NA

**Mr. Sumit Mukherjee (DIN: 08369056), Whole Time Director & CEO of the Company, had resigned w.e.f August 31, 2023.*

3) General Body Meetings:

Details of General Body Meetings held during the financial year 2023-24 are given below:

S. No.	Type of Meeting (Annual/Extra-Ordinary General Meeting)	Date and Place	Special Resolutions Passed
1.	Annual General Meeting	July 27, 2023 Gurugram, Haryana	0
2.	Extra-Ordinary General Meeting	August 7, 2023 Gurugram, Haryana	2
3.	Extra-Ordinary General Meeting	September 7, 2023 Gurugram, Haryana	0
4.	Extra-Ordinary General Meeting	January 19, 2024 Gurugram, Haryana	3
5.	Extra-Ordinary General Meeting	March 22, 2024 Gurugram, Haryana	1

4) Details of non-compliance with requirements of Companies Act, 2013- There was no instances of material non-compliances with requirements of Companies Act, 2013.

5) Details of penalties and strictures- Nil

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, 2024, 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 material 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, 2024, 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.

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

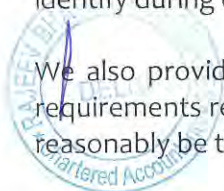
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



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:

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

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

(e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 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, 2024 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, 2024 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, 2024;

(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, 2024;

(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, 2024;

(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



Rajeev Bhatia & Associates
Chartered Accountants

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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 on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

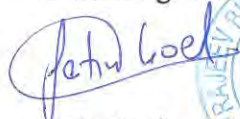
c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement

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

(vi) Based on our examination, which included test checks, the Company has used an accounting software for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

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



Jatin Goel
Partner

Membership No.: 553420

UDIN - 24553420BKABCA3662



Place: Delhi

Date: April 22, 2024

Annexure A to the Independent Auditors' Report

Referred to in Paragraph 2 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, 2024)

(i) Property, Plant and Equipment, Right-of-use assets and Intangible 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 were 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 (other than properties where the company is the lessee and lease agreements are duly executed in the favor of lessee) under Property, plant and equipment 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, 2024 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, 2024. 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.
- 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
694	3,29,94,636.00	1,91,17,213.00	5,21,11,849.00	NIL

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, to the extent 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.



(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 March 31, 2024 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

- 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, there was an instance of embezzlement of cash by an employee involving amount of Rs. 1.76 Lakhs. The Company has terminated the services of such employees and also initiated legal action against such employees. The company has also reported the case to the RBI as required. The Company has not recovered anything from that employee. Please refer Note no. 46(x) to the audited financial statements.
- 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.



(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). In the previous year 2022-23, 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 was 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 met the first criteria, but did not meet the second criteria as on March 31, 2023. However, the RBI vide letter dated July 22, 2022 had granted to the company, time till March 31, 2024 for fulfilling the said criteria. The company is meeting both the criteria for PBC as on March 31, 2024.
- 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 had withdrawn the application for registration as Core Investment Company under the Reserve Bank of India Act. The applications regarding the same have been accepted by RBI on August 9, 2023.

(vii) Cash Losses

The Company has not incurred any cash losses during the year and the immediately preceding financial year. Accordingly, paragraph 3(xvii) of the Order is not applicable.

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 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.

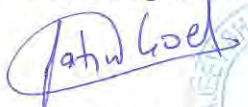
(xx) **Corporate Social Responsibility**

- a) The provisions of section 135 of the Act are applicable on the company. However, considering average profit for last 3 years, amount required to be spent under CSR is nil. Accordingly, there are no unspent amounts towards Corporate Social Responsibility (CSR) on ongoing or other than ongoing projects requiring a transfer to a fund specified in Schedule VII of the Act in compliance with second proviso to sub-section (5) of section 135 of the said Act. Hence, reporting under clause 3(xx)(a) and 3(xx)(b) of the order is not applicable of the company.

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



Jatin Goel
Partner

Membership No.: 553420

UDIN - 24553420BKABCA3662



Place: Delhi

Date: April 22, 2024

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, 2024

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, 2024, 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.



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, 2024, 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



Jatin Goel
Partner

Membership No.: 553420

UDIN - 24563420 BK ABCA3662



Place: Delhi

Date: April 22, 2024

SATIN FINSERV LIMITED

Balance Sheet as at March 31' 2024

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

Particulars	Notes	As at March 31' 2024	As at March 31' 2023
ASSETS			
Financial assets			
Cash and cash equivalents	4	5,485.86	3,878.47
Bank balances other than cash and cash equivalents	5	3,959.69	3,161.44
Investments	6	313.38	100.39
Trade receivables	7	337.64	298.33
Loans	8	32,192.22	22,126.34
Other financial assets	9	896.35	690.08
		43,185.14	30,255.05
Non Financial assets			
Current tax assets (net)	10	923.73	996.78
Deferred tax assets (net)	11	1,090.99	1,123.55
Property, Plant and Equipment	12	331.98	299.12
Intangible assets	13	2.36	4.70
Capital Works-in-Progress	13A	9.21	-
Other non financial assets	14	575.09	340.04
		2,933.36	2,764.19
TOTAL		46,118.50	33,019.24
LIABILITIES AND EQUITY			
Financial Liabilities			
Payables			
Trade payables			
total outstanding dues of MSMEs	15	13.78	10.42
total outstanding dues of creditors other than MSMEs		113.28	279.61
Debt securities	16	1,952.13	553.09
Borrowings (other than debt securities)	17	23,772.77	16,501.87
Other financial liabilities	18	243.12	271.49
		26,095.08	17,616.48
Non Financial Liabilities			
Provisions	19	1,636.22	1,527.57
Other non-financial liabilities	20	108.15	107.67
		1,744.37	1,635.24
EQUITY			
Equity share capital	21	15,755.79	14,051.49
Other equity	22	2,523.26	(283.97)
		18,279.05	13,767.52
TOTAL EQUITY AND LIABILITIES		46,118.50	33,019.24

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

Place: Gurugram
Date: April 22'2024

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



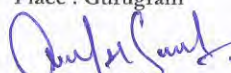
Bhuvnesh Khanna
DIN: 03323118
WTD & CEO
Place : Gurugram


Arjun Bansal

Chief Financial Officer
Place : Gurugram
Date: April 22'2024



Harvinder Pal Singh
DIN: 00333754
Director
Place : Gurugram


Gurvinder Singh

M No.: A40102
Company Secretary
Place : Gurugram



SATIN FINSERV LIMITED

Statement of Profit and Loss for the period ended March 31' 2024

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

Particulars	Notes	For the period ended March 31' 2024	For the year ended March 31' 2023
Revenue from operations			
Interest income	23	6,547.50	4,165.78
Fees and commission income	24	5,289.31	6,382.43
Net gain on fair value changes	25	64.23	0.19
Total revenue from operations		11,901.04	10,548.41
Other income	26	239.47	102.28
Total income		12,140.51	10,650.69
Expenses:			
Finance costs	27	2,643.63	1,763.53
Impairment on financial instruments	28	358.23	378.05
Employee benefits expense	29	5,755.34	5,318.41
Depreciation and amortization expense	30	156.44	174.89
Other expenses	31	2,523.35	2,194.41
Total expenses		11,436.99	9,829.29
Profit / (loss) before exceptional items and tax		703.52	821.40
Exceptional items		-	-
Profit / (loss) before tax		703.52	821.40
Prior period items			
Tax expense			
Current tax		150.41	116.85
Mat credit utilization/ (entitlement) (net)		(150.40)	(116.85)
Deferred tax expense/(credit)		184.21	215.09
Earlier years tax		4.53	0.01
Total tax expense		188.75	215.10
Net profit/(loss) for the period		514.77	606.30
Other comprehensive income			
Item that will not to be reclassified to profit or loss			
Re-measurement gains/(losses) on defined benefit plans		(4.49)	(11.36)
Income tax relating to these items		1.25	3.16
Other comprehensive income/(loss) for the period		(3.24)	(8.20)
Total comprehensive income / (loss) for the period		511.53	598.10
Earnings per share (basic and diluted) (in Rs.)			
Basic (Rs.)		0.36	0.38
Diluted (Rs.)		0.36	0.38


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

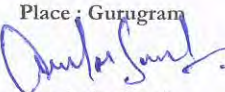

Jatin Goel
Partner
M.No. 553420

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


Bhuvnesh Khanna
DIN: 03323118
WTD & CEO
Place : Gurugram


Harvinder Pal Singh
DIN: 00333754
Director
Place : Gurugram


Arjun Bansal
Chief Financial Officer
Place : Gurugram
Date: April 22'2024


Gurvinder Singh
M No.: A40102
Company Secretary & CCO
Place : Gurugram

Place: Gurugram
Date: April 22'2024



SATIN FINSERV LIMITED

Cash flow statement for the period ended March 31' 2024

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

Particulars	For the period ended March 31' 2024	For the period ended March 31' 2023
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before tax	703.52	821.40
Adjustments for:		
Provision for expected credit losses	92.15	21.25
Provision for employee benefits	(57.98)	(3.96)
Depreciation and amortisation expense	81.26	82.42
Depreciation of ROU assets	75.18	92.47
Loss/(gain) on disposal of tangible assets	(14.67)	-
Interest paid on borrowings	2,710.16	1,725.62
Operating Profit/(loss) Before Working Capital Changes	3,589.62	2,739.20
Changes in working capital:		
<i>Adjustments for (increase)/ decrease in operating assets:</i>		
Trade receivables	(39.31)	(261.64)
Other bank balances	(798.25)	1,114.80
Financial Assets	(10,158.04)	(5,964.80)
Other financial assets	(206.27)	212.86
Other non financial assets	(235.05)	(66.08)
<i>Adjustments for (increase)/ decrease in operating liabilities:</i>		
Trade payables	(162.97)	43.94
Other financial liabilities	(28.37)	42.87
Other non financial liabilities	0.48	(1.09)
Provisions	162.14	37.50
Movement in operating assets and liabilities	(11,465.64)	(4,841.64)
Cash generated from operations	(7,876.02)	(2,102.44)
Less: Income tax refund / (paid) (net)	(81.89)	(291.75)
Net cash flow/(used) in operating activities (A)	(7,957.91)	(2,394.19)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(288.07)	(162.70)
Sale of property, plant and equipment	107.26	41.10
Investment in Pass through Certificates	(212.99)	(100.39)
Net cash used in investing activities (B)	(393.80)	(221.99)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Issue of equity share capital (net of issue expenses)	4,000.00	-
Repayment of borrowings	(15,340.66)	(5,834.55)
Proceeds from borrowings	23,960.61	11,565.89
Interest paid on borrowings	(2,710.16)	(1,725.62)
Payment of lease liabilities	49.31	(48.83)
Net cash flow from financing activities (C)	9,959.10	3,956.89
Net (Decrease)/Increase in cash and cash equivalents (A+B+C)	1,607.39	1,340.71
Cash and cash equivalents at the beginning of the year	3,878.47	2,537.76
Cash and cash equivalents at the end of the year	5,485.86	3,878.47
Reconciliation of cash and cash equivalents as per the cash flow statement	1,607.39	1,340.71

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

As per our review report of even date attached

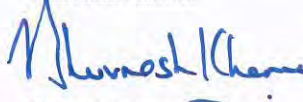
For Rajeev Bhatia & Associates
Chartered Accountants
Firm's Registration No.: 021776N


Jatin Goel
Partner
M.No. 553420



Place: Gurugram
Date: April 22'2024


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

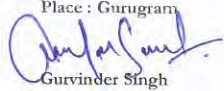


Bhuvnesh Khanna
DIN: 03323118
WTD & CEO
Place : Gurugram


Arjun Bansal

Chief Financial Officer
Place : Gurugram
Date: April 22'2024


Harvinder Pal Singh
DIN: 00333754
Director
Place : Gurugram


Gurvinder Singh
M No.: A40102
Company Secretary
Place : Gurugram



SATIN FINSERV LIMITED

Statement of changes in equity for the period ended March 31' 2024
(All amounts in ₹ in lakhs, unless stated otherwise)

A Equity share capital

Particulars	Balance as at April 1, 2023	Changes in Equity Share Capital due to prior period errors	Restated Balance as at April 1, 2023	Change in equity share capital during the year	Balance as at March 31' 2024
Equity Share Capital	14,051.49	-	14,051.49	1,704.30	15,755.79

Previous reporting period

Particulars	Balance as at April 1, 2022	Changes in Equity Share Capital due to prior period errors	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

B Other equity

Particulars	Statutory reserves	Securities premium	Reserves and surplus			Total
			Share capital pending allotment*	Capital redemption reserve	Amalgamation reserve*	
Balance as at April 1, 2022	145.51	-	3,801.49	-	725.23	2,919.42
Profit/(Loss) for the year	-	-	-	-	(1,752.81)	606.30
Other comprehensive income (net of tax)	-	-	-	-	606.30	(8.20)
Issue of equity shares	-	-	(3,801.49)	-	(8.20)	(3,801.49)
Transfer to statutory reserves	164.28	-	-	-	(164.28)	-
Balance as at April 01, 2023	309.79	-	-	-	725.23	(283.97)
Profit/(Loss) for the year	-	-	-	-	(1,318.99)	514.77
Other comprehensive income (net of tax)	-	-	-	-	514.77	(3.24)
Issue of equity shares	-	2,295.70	-	-	(3.24)	2,295.70
Transfer to statutory reserves	102.95	-	-	-	(102.95)	-
Balance as at March 31' 2024	412.74	2,295.70	-	-	725.23	(910.41)
						2,523.26

* Refer note 22

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
MINO. 553420



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

Bhavneesh Khanna
WTD & CEO
Place : Gurugram

Arun Bansal

Harinder Pal Singh
DIN: 00333754
Director

Place : Gurugram

Gurinder Singh

M No.: 440102

Company Secretary

Place : Gurugram



Place: Gurugram
Date: April 22/2024

Chief Financial Officer
Place : Gurugram
Date: April 22/2024

Satin Finserv Limited

Summary of material accounting policies and other explanatory information for the period ended March 31, 2024

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, disbursement 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.

1.1 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, 2024 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, 2024 were authorized and approved for issue by the Board of Directors on April 22, 2024.

(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.

2. Summary of material accounting policies

The financial statements have been prepared using the material 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.



Satin Finserv Limited

Summary of material accounting policies and other explanatory information for the period ended March 31, 2024

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 the written-down method over the useful life of the assets as prescribed under Part 'C' of Schedule II of 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.



Satin Finserv Limited

Summary of material accounting policies and other explanatory information for the period ended March 31, 2024

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



Satin Finserv Limited

Summary of material accounting policies and other explanatory information for the period ended March 31, 2024

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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Summary of material accounting policies and other explanatory information for the period ended March 31, 2024

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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Summary of material accounting policies and other explanatory information for the period ended March 31, 2024

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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Summary of material accounting policies and other explanatory information for the period ended March 31, 2024

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.



Satin Finserv Limited
Summary of material accounting policies and other explanatory information for the period ended
March 31, 2024

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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Summary of material accounting policies and other explanatory information for the period ended March 31, 2024

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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Summary of material accounting policies and other explanatory information for the period ended March 31, 2024

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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SATIN FINSERV LIMITED

Notes to the financial statements for the period ended March 31' 2024

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

Note 4: Cash and cash equivalents

Particulars	As at	As at
	March 31' 2024	March 31' 2023
Balance with banks in current accounts	1,241.69	2,046.94
Cash in hand	600.78	678.76
Deposits with original maturity of less than 3 months	3,643.39	1,152.77
Total of cash and cash equivalents	5,485.86	3,878.47

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	As at
	March 31' 2024	March 31' 2023
Term deposits for remaining maturity of 3 months or less	-	-
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	3,959.69	3,111.41
Total	3,959.69	3,161.44

Note 6: Investments

Particulars	As at	As at
	March 31' 2024	March 31' 2023
Pass through certificates (at amortised cost)	313.38	100.39
	313.38	100.39

Note 7: Trade receivables (at amortised cost)

Particulars	As at	As at
	March 31' 2024	March 31' 2023
Trade Receivables		
Receivables considered good - unsecured*	337.64	298.33
Less: Provision for impairment on trade receivables	-	-
	337.64	298.33
(II) Other Receivables		
Other Receivables	-	-
Less: Provision for Impairment on other receivables	-	-
	-	-
Total	337.64	298.33

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

Note 8: Loan portfolio (at amortised cost)

Particulars	As at	As at
	March 31' 2024	March 31' 2023
Portfolio loans		
Secured	29,027.40	17,295.42
Unsecured	3,833.66	5,407.60
Less: Impairment loss allowance	(668.84)	(576.68)
	32,192.22	22,126.34
Total	32,192.22	22,126.34
(i) Secured by property	28,777.38	16,583.81
(ii) Secured by book debts	250.02	711.61
(iii) Unsecured	3,833.66	5,407.60
Total - Gross	32,861.06	22,703.02
Less: Impairment loss allowance	(668.84)	(576.68)
Total - Net	32,192.22	22,126.34
Loans in India		
(i) Public Sector	-	-
(ii) Others	32,861.06	22,703.02
Total - Gross	32,861.06	22,703.02
Less: Impairment loss allowance	(668.84)	(576.68)
Total - Net	32,192.22	22,126.34
The above amount includes the interest accrued and exclude unamortised loan processing fees, as follows:		
Particulars		
Interest accrued	567.88	341.56
Unamortised loan processing fee	512.01	284.68

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



SATIN FINSERV LIMITED

Notes to the financial statements for the period ended March 31' 2024

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

Note 9: Other financial assets (at amortised cost)

Particulars	As at March 31' 2024	As at March 31' 2023
Security deposits (unsecured, considered good)	24.53	29.13
Staff advance and other recoverable	35.96	45.77
Other recoverable	714.82	244.55
Unbilled revenue	121.04	370.63
	896.35	690.08

Note 10: Current tax assets (net)

Particulars	As at March 31' 2024	As at March 31' 2023
Advance income-tax and TDS receivable	923.73	996.78
	923.73	996.78

Note 11: Deferred tax assets (net)

Particulars	As at March 31' 2024	As at March 31' 2023
Tax effect of items constituting deferred tax assets:		
(a) Provision for Employee benefits	33.98	33.46
(b) Depreciation and amortisation	33.74	29.58
(c) Carried Forward Losses	53.41	302.69
(e) Impact of IndAs 116	3.00	2.87
(f) Allowance for expected credit loss	607.29	535.29
(g) Minimum alternate tax credit entitlement	372.85	222.45
(h) Measurement of financial assets and financial liabilities at amortised cost	0.00	3.12
	1,104.27	1,129.46
Tax effect of items constituting deferred tax liabilities:		
(i) Provision for 36(1)(viii)	13.28	5.91
	13.28	5.91
Deferred tax assets/(liabilities) (net)	1,090.99	1,123.55

Notes:

(i) Movement in deferred tax assets/(liabilities) for period ended March 31, 2024

Particulars	As at March 31, 2023	Recognised in other comprehensive income	Recognised in statement of profit and loss	As at March 31, 2024
Tax effect of items constituting deferred tax assets:				
(a) Provision for Employee benefits	33.46	1.25	(0.72)	33.98
(b) Depreciation and amortisation	29.58	-	4.16	33.74
(c) Carried Forward Losses	302.69	-	(249.28)	53.41
(d) Impact of IndAs 116	2.87	-	0.14	3.00
(e) Provision for first loss default guarantee	535.29	-	72.00	607.29
(f) Minimum alternate tax credit entitlement	222.45	-	150.40	372.85
(g) Measurement of financial assets and financial liabilities at amortised cost	3.12	-	(3.12)	0.00
(h) Others	-	-	-	-
	1,129.46	1.25	(26.42)	1,104.27
Tax effect of items constituting deferred tax liabilities:				
(i) Provision for 36(1)(viii)	5.91	-	7.37	13.28
	5.91	-	7.37	13.28
Net deferred tax asset	1,123.55	1.25	(33.79)	1,090.99

(ii) Movement in deferred tax assets/(liabilities) for year 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	-	0.55	29.58
(c) Carried Forward Losses	524.10	-	(221.41)	302.69
(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	-	2.78	3.12
(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)(viii)	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



SATIN FINSERV LIMITED

Notes to the financial statements for the period ended March 31' 2024

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

12 Property, plant and equipment

Gross Block	Computer equipment	Office Equipment	Furniture & Fixtures	Vehicle	Right of use asset ²	Total
Balance as at March 31, 2022	431.27	73.83	97.66	14.30	447.36	1,064.42
Aquired through business combination	-	-	-	-	-	-
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
Additions	39.47	15.15	23.84	20.49	179.16	278.10
Disposals	(89.45)	(21.26)	(33.94)	(27.52)	(103.75)	(275.92)
Balance as at March 31' 2024	322.50	73.39	111.45	20.49	533.44	1,061.26
Accumulated depreciation						
Balance as at March 31, 2022	340.11	56.87	65.85	3.13	247.21	713.18
Depreciation charge for the year	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
Depreciation charge for the period	45.84	11.54	17.00	3.08	75.18	152.63
Adjustment on account of disposals	(80.47)	(18.68)	(23.03)	(10.22)	(50.93)	(183.33)
Balance as at March 31' 2024	279.90	53.82	64.71	2.77	328.07	729.28
Net block						
Balance as at March 31, 2023	57.95	18.54	50.81	17.61	154.21	299.12
Balance as at March 31' 2024	42.60	19.57	46.74	17.72	205.37	331.98

13 Intangible assets

Gross Block	Software*	Total
Balance as at March 31, 2022	30.32	30.32
Aquired through business combination	-	-
Additions	-	-
Adjustments during the year	-	-
Balance as at March 31, 2023	30.32	30.32
Additions	0.76	0.76
Disposals	-	-
Balance as at March 31' 2024	31.08	31.08
Accumulated depreciation		
Balance as at March 31, 2022	24.44	24.44
Aquired through business combination	-	-
Depreciation charge	1.18	1.18
Disposals	-	-
Balance as at March 31, 2023	25.62	25.62
Depreciation charge	3.10	3.10
Disposals	-	-
Balance as at March 31' 2024	28.72	28.72
Net block		
Balance as at March 31, 2023	4.70	4.70
Balance as at March 31' 2024	2.36	2.36

* Operating system for computers.

13A Capital Works-in-Progress

Particulars	CWIP	Total
Balance as at March 31, 2022	-	-
Addition	-	-
Disposals	-	-
Balance as at March 31, 2023	-	-
At March 31, 2023	-	-
Addition	9.21	9.21
Disposals	-	-
Balance as at March 31' 2024	9.21	9.21



SATIN FINSERV LIMITED

Notes to the financial statements for the period ended March 31' 2024

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

Note 14: Other non-financial assets

Particulars	As at March 31' 2024	As at March 31' 2023
Advances recoverable in cash or in kind or for value to be received	79.25	42.66
Prepaid expenses	495.84	297.38
	575.09	340.04

Note 15: Trade payable

Particulars	As at March 31' 2024	As at March 31' 2023
Trade Payables		
(i) total outstanding dues of MSMEs	13.78	10.42
(ii) total outstanding dues of creditors other than MSMEs	113.28	279.61
	127.06	290.03
Other Payables		
(i) total outstanding dues of MSMEs	-	-
(ii) total outstanding dues of creditors other than MSMEs	-	-
	-	-
Total	127.06	290.03

Trade Payables ageing schedule as on 31st March,2024

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	13.78	-	-	-
(ii) Others	102.77	4.11	2.08	4.33
(iii) Disputed dues – MSME	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-
(v) Unbilled dues	-	-	-	-
Total	116.54	4.11	2.08	4.33

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

#: 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 16: Debt securities (at amortised cost)

Particulars	As at March 31' 2024	As at March 31' 2023	
Non-convertible debentures	1,952.13	553.09	
	1,952.13	553.09	
Debt securities in India	1,952.13	553.09	
Debt securities outside India	-	-	
	1,952.13	553.09	
Unamortised Processing Fees	62.85	0.50	
Accrued Interest	14.98	53.59	
	78.83	54.09	
	2,030.96	1,160.17	
Particulars	Terms of Repayment	As at March 31, 2024	As at March 31, 2023
Non-convertible debentures (secured)			
2,000 (March 31, 2023: Nil), @10.85%, rated, listed, fully paid up, senior, secured, redeemable, taxable, non-convertible debentures of face value of ₹ 1,00,000 each, The date of allotment is March 04, 2024. (Secured by way of hypothecation of first ranking, exclusive and continuing charge on book debt which shall be maintained at 105% of principal including interest accrued amount of the debentures outstanding.)	Redeemable at par on August 04, 2025	1,952.13	-
50 (March 31, 2023: 50), @15.75%, rated, unlisted, fully paid up, senior, secured, redeemable, taxable, non-convertible debentures of face value of ₹ 1,00,000 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



SATIN FINSERV LIMITED

Notes to the financial statements for the period ended March 31' 2024

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

Note 16A: Terms of principal repayment of Debt Securities & Other Borrowings as at March 31, 2024

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	5.87	12	6.40	11	6.37			18.64
	9% to 12%	72	2,813.42	50	2,761.50	11	808.52	-	-	6,383.44
	12.01% to 15%	370	7,194.53	266	5,397.21	95	2,490.30	6	142.00	15,224.04
	Above 15%	24	476.65	25	528.54	-	-	-	-	1,005.19
Quarterly	12.01% to 15%	6	446.97	4	363.64	2	181.82	-	-	992.42
Bullet	12.01% to 15%			1	2,000.00			1	0.20	2,000.20
	Above 15%				-		-		-	-
Total		484	10,937.44	358	11,057.29	119	3,487.00	7	142.20	25,623.94

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
Quarterly	12.01% to 15%	59	1,137.91	58	1,253.04	40	947.83	-	-	3,338.78
Bullet	12.01% to 15%	4	166.67	2	83.33	-	-	-	-	250.00
	Above 15%	-	-	-	-	-	-	2	3,350.00	3,350.00
Total		361	6,472.00	285	4,648.86	148	2,332.97	17	3,353.66	16,807.49



SATIN FINSERV LIMITED

Notes to the financial statements for the period ended March 31' 2024

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

Note 17: Borrowings (other than debt securities)

Particulars	As at March 31' 2024	As at March 31' 2023
Term loans from bank (At amortised Cost)		
Secured#	3,230.47	2942.11
Unsecured	-	-
Term loans from financial institutions(At amortised Cost)		
Secured##	20,323.77	10,040.54
Loan from related parties (unsecured)	-	3,350.00
Lease liability	218.53	169.22
	23,772.77	16,501.87
Borrowings in India	23,772.77	16,501.87
Borrowings outside India	-	-
	23,772.77	16,501.87
<p># 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 133% 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.</p> <p>Loan from related parties includes loan from holding company which is a revolving credit facility against total sanctioned limit of Rs. 3,000 lakh (March 31' 2023: Rs. 7,000 lakh). The same is repayable on demand.</p>		
Unamortised Processing Fees	187.37	125.31
Accrued Interest	117.68	50.08

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, 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	16,954.57
Adoption of Ind AS 116	-	179.16	179.16
Cash flows:			
- Repayment	(15,340.66)	(91.84)	(15,432.50)
- Proceeds from overdraft facility	-	-	-
- Proceeds other than overdraft facility	23,960.61	-	23,960.61
- Others	28.99	-	28.99
Non cash:			
- Conversion of Optionally Convertible, Redeemable Preference Shares	-	-	-
- Foreign exchange	-	-	-
- Amortisation of upfront fees and others	(124.41)	-	(124.41)
- Others	96.12	(38.02)	58.10
March 31, 2024	25,406.00	218.52	25,624.52

Note 18: Other financial liabilities

Particulars	As at March 31' 2024	As at March 31' 2023
Other payable	27.34	14.89
Expenses payable	215.78	256.60
Total	243.12	271.49



SATIN FINSERV LIMITED

Notes to the financial statements for the period ended March 31' 2024

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

Note 19: Provisions

Particulars	As at March 31' 2024	As at March 31' 2023
Provision for compensated absences	99.82	120.25
Provision for gratuity	22.32	59.87
Provision for first loss default guarantee	1,514.08	1,347.45
Total	1,636.22	1,527.57

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

Note 20: Other non-financial liabilities

Particulars	As at March 31' 2024	As at March 31' 2023
Statutory dues payable	108.15	107.67
Total	108.15	107.67



SATIN FINSERV LIMITED

Notes to the financial statements for the period ended March 31' 2024

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

21 Equity share capital

Authorised equity share capital

15,80,00,000 (31 March 2023: 140,514,900) Equity shares of ₹10 each

Issued and subscribed

157557892 (31 March 2023: 140,514,859) Equity shares of ₹10 each

Paid up equity share capital

157557892 (31 March 2023: 140,514,859) Equity shares of ₹10 each

	As at March 31' 2024	As at March 31' 2023
Authorised equity share capital	15,800.00	14,051.49
Issued and subscribed	15,755.79	14,051.49
Paid up equity share capital	15,755.79	14,051.49

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

Equity share capital of ₹ 10 each fully paid up

Balance at the beginning of the year

Add: Issued during the year

Balance at the end of the year

No. of shares	₹	No. of shares	₹
March 31' 2024		March 31' 2023	
14,05,14,859	14,051.49	10,25,00,000	14,051.49
1,70,43,033	1,704.30	3,80,14,859	3,801.49
15,75,57,892	15,755.79	14,05,14,859	17,852.97

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

	March 31' 2024			March 31' 2023		
	No. of shares	% holding	% change during the year	No. of shares	% holding	% change during the year
Equity share capital of ₹ 10 each fully paid up						
Satin Creditcare Network Limited	15,75,57,892	100.00%	0.00%	14,05,14,859	100.00%	0.00%
	15,75,57,892	100.00%	0.00%	14,05,14,859	100.00%	0.00%

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

Equity share capital of ₹ 10 each fully paid up

Satin Creditcare Network Limited

	March 31' 2024		March 31' 2023	
	No. of shares	% holding	No. of shares	% holding
Satin Creditcare Network Limited	15,75,57,892	100.00%	14,05,14,859	100.00%
	15,75,57,892	100.00%	14,05,14,859	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.

vi) During the year, the company has received INR 39,99,99,985 against issue of equity shares (No. of shares: 17,043,033) to the holding company (Satin Creditcare Network Limited) @ ₹ 23.47 per share having face value of ₹ 10 each.



SATIN FINSERV LIMITED

Notes to the financial statements for the period ended March 31' 2024

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

22 Other equity

	As at March 31' 2024	As at March 31' 2023
Retained earnings	(910.41)	(1,318.99)
Statutory reserves @	412.74	309.79
Amalgamation reserve	725.23	725.23
Securities Premium	2,295.70	-
Total Other Equity	2,523.26	(283.97)

@ 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.

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



SATIN FINSERV LIMITED

Notes to the financial statements for the period ended March 31' 2024

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

Note 23: Interest Income (measured at amortised cost)

Particulars	For the period ended March 31' 2024	For the year ended March 31' 2023
Interest income on portfolio loans	6,223.68	3,874.10
Interest income on deposits, certificate of deposits and commercial papers	323.82	291.68
	6,547.50	4,165.78

Note 24: Fees and commission income

Particulars	For the period ended March 31' 2024	For the year ended March 31' 2023
Income from BC operations and other support services	4,869.04	6,160.56
Documentation charges	255.24	130.44
Login Fee Income	165.03	91.43
	5,289.31	6,382.43

Note 25: Net gain on fair value changes

Particulars	For the period ended March 31' 2024	For the year ended March 31' 2023
Net gain/ (loss) on financial instruments at fair value through profit or loss		
- Mutual Funds	64.23	0.19
Total Net gain/(loss) on fair value changes	64.23	0.19
Fair Value Changes:		
-Realised	64.23	0.19
Total Net gain/(loss) on fair value changes	64.23	0.19

Note 26: Other Income

Particulars	For the period ended March 31' 2024	For the year ended March 31' 2023
Miscellaneous income	206.01	77.64
Interest income on security deposits	0.66	0.72
Net gain on derecognition of property, plant and equipment	14.67	7.00
Foreclosure charges received	18.13	16.92
	239.47	102.28

Note 27: Finance cost (on financial liabilities measured at amortised cost)

Particulars	For the period ended March 31' 2024	For the year ended March 31' 2023
Interest on borrowings		
Interest on borrowings other than debt securities	2,097.02	1,363.24
Interest on debt securities	35.61	78.45
Interest on borrowings from bank	343.75	222.57
Other interest expenses	138.37	78.99
Interest expense on lease liability	28.88	19.69
Interest on taxes	-	0.59
	2,643.63	1,763.53

Note 28: Impairment on financial instruments (on financial assets measured at amortised cost)

Particulars	For the period ended March 31' 2024	For the year ended March 31' 2023
Allowance for expected credit loss	92.15	21.25
Portfolio loans written off	266.08	356.80
	358.23	378.05



SATIN FINSERV LIMITED

Notes to the financial statements for the period ended March 31' 2024

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

Note 29: Employee benefit expenses

Particulars	For the period ended March 31' 2024	For the year ended March 31' 2023
Salaries, wages and bonus	5,260.06	4,835.03
Contribution to provident and other funds	432.19	435.62
Staff welfare expenses	63.09	47.76
	5,755.34	5,318.41

Note 30: Depreciation and amortization expense

Particulars	For the period ended March 31' 2024	For the year ended March 31' 2023
Depreciation on property, plant and equipment	78.16	81.24
Amortisation on intangible assets	3.10	1.18
Amortisation on right of use assets	75.18	92.47
	156.44	174.89

Note 31: Other expenses

Particulars	For the period ended March 31' 2024	For the year ended March 31' 2023
Bank charges	59.80	91.39
Rent	197.46	179.37
Travelling and conveyance	269.40	181.52
Repair and maintainance	12.82	17.28
Printing and stationery	78.83	77.64
Communication cost	72.45	80.77
Insurance charges	29.18	70.37
Software & IT support expenses	117.97	167.00
Rates and taxes	29.95	110.34
Electricity charges	25.82	37.23
Auditor's remuneration*	32.20	20.93
Business promotion	6.70	5.46
Commission paid**	62.53	42.66
Loan Processing Charges	244.24	127.51
Legal and professional charges	65.92	83.59
Director sitting fees	5.34	4.25
Balance write off	65.62	37.86
Office expenses	157.29	129.73
Write off against first loss default guarantee	781.54	671.94
First loss default guarantee expenses	166.63	26.14
Postage & courier	27.91	24.94
Miscellaneous expenses	13.75	6.49
	2,523.35	2,194.41

Note*: Auditors remuneration includes payments as follows:

(a) Statutory audit	9.00	9.00
(b) Tax audit	3.00	3.00
(c) Certification fee and other services	20.20	8.93
Total	32.20	20.93

** It includes Foreign Currency payment

9.82

13.56



SATIN FINSERV LIMITED

Notes to the financial statements for the period ended March 31' 2024

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

	For the year ended March 31' 2024	For the year ended March 31' 2023
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Note 32: Earning per Share

Net profit/(Loss) for the year	514.77	606.30
Weighted average number of equity shares for EPS	14,94,55,466	14,05,14,859
Par value per share (in RS.)	10	10
Basic Earnings per share (in RS.)	0.34	0.43
Nominal value of equity share (₹)	10.00	10.00
Weighted-average number of equity shares used to compute diluted earnings per share	14,94,55,466	14,05,14,859
Diluted Earnings per share (in RS.)	0.34	0.43

Note 33: Tax Expense

Current tax (including taxes earlier years)	154.94	116.86
Minimum alternate tax credit entitlement	(150.40)	(116.85)
Deferred tax expense/(credit)	184.21	215.09
	188.75	215.10

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	703.52	821.40
At country's statutory income tax rate of 27.82%	195.72	228.51
(March 31, 2023: 27.82%)		

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
(ii) Tax impact on items exempt under income tax	-	-
(iii) Impact of difference in tax rate on certain items	-	-
(iv) Preliminary expenses allowed	-	0.25
(v) Earlier year taxes	4.53	0.01
(vi) Others	(11.51)	(13.71)
	188.75	215.10

Note 34: 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 their 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 Equipment and lease liability is disclosed under Borrowings. Further disclosures as on March 31, 2024 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' 2024	For the year ended March 31' 2023
Total number of leases	117	184
Number of leases considered as short term leases	81	135
No. of right-of use assets leased	36	49
Range of remaining term	Upto 57 months	Upto 55 months
Average remaining lease term	22 months	8 months
No. of leases with extension options	0	0
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	117	184

- 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, 2023	154.21
Addition	179.16
Depreciation	75.18
Deletion	52.82
Carrying amount as on March 31, 2024	205.37

- 3 Bifurcation of Lease liabilities in current and non current as follows:

Particulars	March 31' 2024	March 31' 2023
Current	57.50	68.56
Non-current	161.03	100.67
Total	218.53	169.22



4 At 31 March 2024 the Company do not have any committed leases which had not yet commenced.

5 The undiscounted maturity analysis of lease liabilities at 31 March 2024 is as follows:

Particulars	Lease payments	Finance charges	Net present values
Within 1 year	81.65	24.14	57.50
1-2 years	67.96	17.26	50.71
2-3 years	56.44	11.26	45.18
3-4 years	55.84	5.02	50.82
4-5 years	14.86	0.54	14.32
Total	276.75	58.22	218.53

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 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' 2024	March 31' 2023
Short term leases	197.46	179.37
Leases of low value assets	-	-
Variable lease payments	-	-
Total	197.46	179.37
Minimum lease obligations:		
- within one year	57.50	68.55
- Later than one year but not Later than five years	161.03	100.67
- Later than five years	-	-

7 The Company had total cash outflows for leases of Rs. 298.57 lakh in March 31, 2024 (Rs. 287.50 lakh in March 31, 2023).

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

Particulars	March 31' 2024	March 31' 2023
Depreciation expense of right-of-use assets	75.18	92.47
Interest expense on lease liabilities	28.88	19.69
Expense relating to short-term leases (included in other expenses)	197.46	179.37
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	301.52	291.53

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:

2024

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)	-	-	-



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)	-	-	-

Note 35: Contingent Liabilities not provided for

No contingent liabilities as on 31st March 2024 (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 2024 (previous year Nil).

35.1 Estimates

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

35.2 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 36: 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, 2024 are as follows:

Name of Partner	March 31' 2024		March 31' 2023	
	AUM	FDR balance for FLDG	AUM	FDR balance for FLDG
Yes Bank Ltd.#	-	520.88	16,741.90	-
RBL Bank Ltd.	12.02	8.06	12.02	108.03
Reliance Commercial Finance Ltd.	756.61	179.91	759.03	169.34
Federal Bank	2,907.77	245.61	2,127.36	96.61
IDFC First Bank Ltd.	3,954.14	1,292.93	10,874.44	1,312.25
Jana Small Finance Bank Ltd.	8,380.73	1,132.41	12,788.76	943.08
CSB Bank Ltd.*	1,452.16	83.02	2,296.95	132.40
	17,463.43	3,462.83	45,600.46	2,761.71

FDR balance includes accrued interest.

#Agreement with YBL has been terminated and FDRs being credited in our account on 06th April 2024.

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

Note 37: Details of dues to micro and small enterprises as defined under the MSME Act, 2006

Particulars	As at	As at
	March 31' 2024	March 31' 2023
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	13.78	10.42
The amount of interest paid by the buyer in terms of section 16 of the MSME 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 MSME 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 MSME Act, 2006.	-	-



SATIN FINSERV LIMITED

Notes to the financial statements for the period ended March 31' 2024

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

Note 38: 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 (till May 31, 2023)	Director & CEO	-
Mr. Partha Mukherjee (till August 31, 2022)*	Director	-
Mr. Bhuvnesh Khanna (w.e.f. January 19, 2024)	WTD & CEO	-
Mr. Arjun Bansal	Chief Financial Officer	-
Mr. Rahul Garg (till February 28, 2023)*	Chief Financial Officer	-
Mr. Puneet Jolly (till December 19, 2023)	Company Secretary	-
Ms. Sneha Khanduja (w.e.f. July 29 2022 till February 28, 2023)*	Company Secretary	-
Mr. Gurvinder Singh (w.e.f. January 20, 2024)	Company Secretary	-

* For Taraashna Financial Services Limited

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, 2024	For the period ended March 31, 2023
Mr. H P Singh	Personal Guarantee given	7,037.50	2,750.00
Satin Creditcare Network Limited	Facilitation charges Income	12.00	12.00
	Technology sharing services expense	90.00	128.59
	Payment of rent for office space sharing	51.31	45.56
	Interest Paid	266.69	506.40
	Inter corporate loan taken	2,700.00	1,850.00
	Loan Repaid	6,050.00	2,050.00
	Income from business correspondents operations and support services	1,485.38	1,043.60
Satin Neo Dimensions Pvt. Ltd.	Interest income on loan	2.08	11.72
	Repayment received against loan	39.33	52.46
Mr. Sumit Mukherjee (till May 31, 2023)	Remuneration	17.60	105.60
Mr. Partha Mukherjee (till August 31, 2022)	Remuneration	-	17.50
Mr. Bhuvnesh Khanna (w.e.f. January 19, 2024)	Remuneration	32.39	-
Mr. Arjun Bansal	Remuneration	27.80	23.49
Mr. Rahul Garg (till February 28, 2023)	Remuneration	-	21.08
Mr. Puneet Jolly (till December 19, 2023)	Remuneration	12.74	15.08
Ms. Sneha Khanduja (w.e.f. July 29 2022 till February 28, 2023)	Remuneration	-	3.18
Mr. Gurvinder Singh (w.e.f. January 20, 2024)	Remuneration	3.28	-

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

Name of related party	Nature of transaction	As at March 31, 2024	As at March 31, 2023
Satin Creditcare Network Limited	Fees for corporate guarantee	-	4.24
	Inter corporate loan Payable	-	3,350.00
Satin Neo Dimensions Pvt. Ltd.	Inter corporate loan Receivable	-	39.33
	Accrued Interest Receivable	-	0.55

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, 2024 is Rs. 8,418.24 Lakh (Previous Year: 3,965.47 Lakh)

d. Key management personnel remuneration includes the following expenses:

	For the year ended	For the year ended
	March 31, 2024	March 31, 2023
Short-term employee benefits	93.81	185.93
Post-employment benefits	(3.59)	5.63
Other long term benefits	(7.30)	11.15
Total remuneration	82.92	202.71



SATIN FINSERV LIMITED

Notes to the financial statements for the period ended March 31' 2024

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

Note 39: 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 ₹ 432.19 lakhs (March 31, 2023 ₹ 435.62 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 by Life Insurance Corporation of India ("LIC") and ICICI Prudential Life Insurance Co. Ltd. jointly.

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, 2024	As at March 31, 2023
Present value of obligation	83.06	118.01
Fair value of plan assets	60.74	58.14
Net obligation recognised in balance sheet as provision	(22.32)	(59.87)

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

Particulars	As at March 31, 2024	As at March 31, 2023
Current service cost	27.49	44.75
Net interest cost / (income)	4.42	(4.71)
Interest cost on defined benefit obligation	-	-
Net impact on profit (before tax)	31.91	40.04
Actuarial (gain)/loss recognised during the year	4.49	15.04
Amount recognised in the statement of profit and loss and other comprehensive income	36.40	55.08



SATIN FINSERV LIMITED

Notes to the financial statements for the period ended March 31' 2024

(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, 2024	As at March 31, 2023
Present value of defined benefit obligation as at the beginning of year	118.00	113.36
Current service cost	27.49	44.75
Interest cost	8.72	1.28
Past service cost including curtailment gains/losses	-	-
Benefits paid	(70.54)	(52.74)
Actuarial loss/(gain) on obligation		
Actuarial (gain)/loss on arising from change in demographic assumption	3.81	-
Actuarial (gain)/loss on arising from change in financial assumption	2.73	(1.95)
Actuarial (gain)/loss on arising from experience adjustment	(7.15)	13.31
Present value of defined benefit obligation as at the end of the year	83.06	118.00

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

Particulars	As at March 31, 2024	As at March 31, 2023
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, 2024	As at March 31, 2023
Fair value of plan assets at beginning of year	58.14	82.43
Actual return on plan assets	2.69	2.51
Employer's contribution	59.00	25.94
Benefits paid	(59.09)	(52.74)
Actuarial loss/(gain) on plan assets	-	-
Fair value of plan assets at the end of the year	60.74	58.14

(vi) Actuarial assumptions

Particulars	As at March 31, 2024	As at March 31, 2023
Discounting rate	7.12%	7.39%
Future salary increase	4.00%	4.00%
Retirement age (years)	60.00	60.00
Withdrawal rate		
Up to 30 years	40.00%	56.21%
From 31 to 44 years	20.00%	43.75%
Above 44 years	10.00%	50.00%
Weighted average duration	3.63	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.



SATIN FINSERV LIMITED

Notes to the financial statements for the period ended March 31' 2024

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

(vii) Sensitivity analysis for gratuity liability

Particulars	As at March 31, 2024	As at March 31, 2023
Impact of the change in discount rate		
Present value of obligation at the end of the year	83.06	118.00
- Impact due to increase of 0.50 %	(2.15)	(7.91)
- Impact due to decrease of 0.50 %	2.26	8.79
Impact of the change in salary increase		
Present value of obligation at the end of the year	83.06	118.00
- Impact due to increase of 0.50 %	2.32	9.05
- Impact due to decrease of 0.50 %	(2.22)	(8.19)

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, 2024	As at March 31, 2023
0 to 1 year	10.09	3.03
1 to 2 year	8.96	2.38
2 to 3 year	8.33	2.55
3 to 4 year	7.81	3.34
4 to 5 year	6.60	3.72
5 to 6 year	5.23	3.13
6 year onwards	36.04	99.87

B Compensated absences (non-funded)

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

Particulars	As at March 31, 2024	As at March 31, 2023
Present value of obligation	99.82	120.25
Fair value of plan assets	-	-
Net obligation recognised in balance sheet as provision	99.82	120.25

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

Particulars	As at March 31, 2024	As at March 31, 2023
Total service cost	56.21	54.74
Net interest cost on defined benefit obligation	8.89	1.93
Net actuarial (gain)/loss recognised during the year	(2.93)	(2.36)
Amount recognised in the statement of profit and loss	62.17	54.30



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SATIN FINSERV LIMITED

Notes to the financial statements for the period ended March 31' 2024

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

Note 40: 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' 2024	March 31' 2023
Financial assets measured at amortised cost			
Cash and Cash equivalents	4	5,485.86	3,878.47
Bank balances other than cash and cash equivalents	5	3,959.69	3,161.44
Receivables	6	337.64	298.33
Loans	7	32,192.22	22,126.34
Investment	8	313.38	100.39
Security deposits	9	24.53	29.13
Other financial assets	9	871.82	660.95
Total		43,185.14	30,255.05
Financial liabilities measured at amortised cost			
Payables	15	127.06	290.03
Debt securities	16	1,952.13	553.09
Borrowings (other than debt securities)	17	23,554.24	16,332.65
Other financial liabilities	18	243.12	271.49
Total		25,876.55	17,447.26

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' 2024		As at March 31' 2023	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Cash and Cash equivalents	5,485.86	5,485.86	3,878.47	3,878.47
Bank balances other than cash and cash equivalents	3,959.69	3,959.69	3,161.44	3,161.44
Receivables	337.64	337.64	298.33	298.33
Loans	32,192.22	33,781.65	22,126.34	23,299.24
Investment	313.38	313.38	100.39	100.39
Security deposits	24.53	24.53	29.13	29.13
Other financial assets	871.82	871.82	660.95	660.95
Total	43,185.14	44,774.57	30,255.05	31,427.95
Financial liabilities				
Payables	127.06	127.06	290.03	290.03
Debt securities	1,952.13	1,952.13	553.09	553.09
Borrowings (other than debt securities)	23,554.24	23,554.24	16,332.65	16,332.65
Other financial liabilities	243.12	243.12	271.49	271.49
Total	25,876.55	25,876.55	17,447.26	17,447.26

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:

- 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.
- 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, 2024 was assessed to be insignificant.
- The fair values of the Company fixed interest-bearing debt securities, borrowings and subordinated 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, 2024 was assessed to be insignificant.



Note 41: 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 assets, 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	As at
	March 31' 2024	March 31' 2023
(i) Low credit risk on financial reporting date		
Bank Balance in current accounts & in Fixed Deposits	4,885.08	3,199.71
Bank balances other than above	3,959.69	3,161.44
Security deposits	24.53	29.13
Other financial assets	871.82	660.95
Investment	313.38	100.39
Receivables	337.64	298.33
Loans	30,769.54	21,259.10
(ii) Moderate credit risk	711.87	527.41
(iii) High credit risk	1,379.65	916.50

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



SATIN FINSERV LIMITED

Notes to the financial statements for the period ended March 31' 2024

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

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 deposits 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, 2024	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	4,885.08	0%	-	4,885.08
Bank balances other than above	3,959.69	0%	-	3,959.69
Security deposits	24.53	0%	-	24.53
Other financial assets	871.82	0%	-	871.82
Investment	313.38	0%	-	313.38
Receivables	337.64	0%	-	337.64

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
Investment	100.39	0%	-	100.39
Receivables	298.33	0%	-	298.33

- 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 default guarantee. The said fixed deposits are lien marked to the concerned principle partners. The company records first loss default guarantee liability 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.



SATIN FINSERV LIMITED

Notes to the financial statements for the period ended March 31' 2024

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

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 unlikelihood 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.

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, 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)	400.76	(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
Assets originated or purchased	18,357.77	104.74	94.38
Net transfer between stages			
Transfer to stage 1	87.21	(36.20)	(51.01)
Transfer to stage 2	(612.97)	617.72	(4.75)
Transfer to stage 3	(542.09)	(241.23)	783.32
Assets derecognised or repaid (excluding write offs)	(7,779.47)	(260.57)	(192.26)
Write - offs	-	-	(266.08)
Gross carrying amount as at March 31, 2024	30,769.54	711.87	1,280.10

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, 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
Increase of provision due to assets originated or purchased during the period	24.61	18.48	34.34
Net transfer between stages			
Transfer to stage 1	31.13	(8.27)	(22.85)
Transfer to stage 2	(4.78)	6.89	(2.11)
Transfer to stage 3	(4.61)	(57.02)	61.62
Impact of ECL on exposures transferred between stages during the year	(40.29)	69.60	189.45
Assets derecognised or collected	(15.13)	(23.56)	(165.36)
Loss allowance on March 31, 2024	41.25	125.61	501.97



SATIN FINSERV LIMITED

Notes to the financial statements for the period ended March 31' 2024

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

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 flexibility 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' 2024			
- Expiring beyond one year	3,000	-	3,000
- Expiring within one year	1,100	600	500
Total	4,100	600	3,500
March 31' 2023			
- Expiring beyond one year	7,000	3,350	3,650
- Expiring within one year		-	-
Total	7,000	3,350	3,650



SATIN FINSERV LIMITED

Notes to the financial statements for the period ended March 31' 2024

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

(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, 2024	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Financial assets					
Cash and Cash equivalents	5,485.86	-	-	-	5,485.86
Bank balances other than cash and cash equivalents	587.88	-	3,371.81	-	3,959.69
Receivables	337.64	-	-	-	337.64
Investments	-	313.38	-	-	313.38
Loans	13,170.08	10,935.63	7,165.82	1,589.52	32,861.06
Other financial assets	896.35	-	-	-	896.35
Total undiscounted financial assets	20,477.80	11,249.01	10,537.63	1,589.52	43,853.98
Financial liabilities					
Debt securities	-	1,952.13	-	-	1,952.13
Borrowings (other than debt securities but including interest accrued)	11,249.96	10,655.19	1,507.89	359.73	23,772.77
Payables	127.06	-	-	-	127.06
Other financial liabilities	243.12	-	-	-	243.12
Total undiscounted financial liabilities	11,620.14	12,607.32	1,507.89	359.73	26,095.08
Net undiscounted financial assets/(liabilities)	8,857.66	(1,358.31)	9,029.75	1,229.80	17,758.90

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	50.03	3,111.41	-	-	3,161.44
Receivables	298.33	-	-	-	298.33
Investment	-	-	100.39	-	100.39
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	12,607.15	10,788.41	5,096.96	2,339.21	30,831.73
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)	5,458.86	6,137.16	2,759.16	(1,039.52)	13,315.65

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, 2024	As at March 31, 2023
Variable rate liabilities		
Borrowings other than debt securities	10,007.77	10,470.21
Fixed rate liabilities		
Debt Securities	1,952.13	553.09
Borrowings other than debt securities	13,546.48	5,862.44
Total	25,506.38	16,885.74

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.



SATIN FINSERV LIMITED

Notes to the financial statements for the period ended March 31' 2024

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

Note 42: 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' 2024	March 31' 2023
Borrowings (other than debt securities)	23,772.77	16,501.87
Debt Securities	1,952.13	553.09
Less: Cash and Cash Equivalents	(5,485.86)	(3,928.50)
Net debt*	20,239.04	13,126.46
Equity Share Capital	15,755.79	14,051.49
Other Equity	2,523.26	(283.97)
Total equity	18,279.05	13,767.51
Net debt to equity ratio /Gearing ratio	1.11	0.95

* Net debt includes debt securities + borrowing other than debt securities + sub-ordinated liabilities + interest accrued - cash and cash equivalents - bank balances other than cash & cash equivalents(non lien marked).

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SATIN FINSERV LIMITED

Notes to the financial statements for the period ended March 31' 2024

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

Note 43: 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' 2024			March 31' 2023		
	Within 12 months	More than 12 months	Total	Within 12 months	More than 12 months	Total
ASSETS						
Financial assets						
Cash and cash equivalents	5,485.86	-	5,485.86	3,878.47	-	3,878.47
Bank balances other than cash and cash equivalents	587.88	3,371.81	3,959.69	50.03	3,111.41	3,161.44
Receivables	337.64	-	337.64	298.33	-	298.33
Investment	-	313.38	313.38	-	100.39	100.39
Loans	12,501.24	19,690.98	32,192.22	7,113.56	15,012.78	22,126.34
Other financial assets	896.35	-	896.35	690.08	-	690.08
	19,808.97	23,376.17	43,185.14	12,030.47	18,224.58	30,255.05
Non Financial assets						
Current tax assets (net)	-	923.73	923.73	-	996.78	996.78
Deferred tax assets (net)	-	1,090.99	1,090.99	-	1,123.55	1,123.55
Property, plant and equipment	57.50	274.48	331.98	68.55	230.57	299.12
Other intangible assets	2.36	-	2.36	-	4.70	4.70
Capital WIP	9.21	-	9.21	-	-	-
Other non financial assets	575.09	-	575.09	340.04	-	340.04
	644.16	2,289.20	2,933.36	408.59	2,355.60	2,764.19
TOTAL ASSETS	20,453.13	25,665.37	46,118.50	12,439.06	20,580.18	33,019.24
LIABILITIES						
Financial Liabilities						
Payables						
Trade Payables						
total outstanding dues of MSMEs	13.78	-	13.78	10.42	-	10.42
total outstanding dues of creditors other than MSMEs	113.28	-	113.28	279.61	-	279.61
Debt securities	-	1,952.13	1,952.13	553.09	-	553.09
Borrowings (other than debt securities)	11,468.48	12,304.29	23,772.77	6,134.08	10,367.79	16,501.87
Other financial liabilities	243.12	-	243.12	271.49	-	271.49
	11,838.66	14,256.42	26,095.08	7,248.69	10,367.79	17,616.48
Non Financial Liabilities						
Provisions	29.66	1,606.56	1,636.22	6.55	1,521.02	1,527.57
Other non financial liabilities	108.15	-	108.15	107.67	-	107.67
	137.81	1,606.56	1,744.37	114.22	1,521.02	1,635.24
TOTAL Liabilities	11,976.47	15,862.98	27,839.45	7,362.91	11,888.81	19,251.72
Net	8,476.66	9,802.39	18,279.05	5,076.15	8,691.37	13,767.52



Note 44: 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 said section is applicable on the company, however, considering average profit for last 3 years, amount required to be spent under CSR is nil.

a. Gross amount required to be spent by the company during the year is Nil and previous year is Nil .

b. Amount spent during the year on:

Particulars	For the period ended March 31, 2024			For the period ended March 31, 2023		
	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	-	-	-	-	-	-

Note 45: 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 45B: 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". As on March 31, 2024, the company is meeting the principal business criteria in relation to financial assets and financial income.

Note 46: Additional disclosures as required by the Reserve Bank of India**(i) Capital to Risk Assets Ratio (CRAR)**

Particulars	As at	As at
	March 31' 2024	March 31' 2023
CRAR (%)	48.00	47.38
CRAR - Tier I Capital (%)	48.00	47.38
CRAR - Tier II Capital (%)	-	-
Liquidity Coverage Ratio	1012%	1079%
Amount of subordinated debt raised as Tier-II capital	-	-
Amount raised by issue of Perpetual Debt Instruments	-	-

(ii)

Particulars	As at	As at
	March 31' 2024	March 31' 2023
Value of Investments		
Gross Value of Investments		
(a) In India	313.38	100.39
(b) Outside India,	-	-
Provisions for Depreciation		
(a) In India	-	-
(b) Outside India,	-	-
Net Value of Investments		
(a) In India	313.38	100.39
(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	-	-

(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 Securitisation / Reconstruction Companies for asset reconstruction in the current period and previous period.

(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.



(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 4,259.71 lakhs during the year ended March 31, 2024 (March 31, 2023: INR 803.15 lakhs), 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 investors/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, 2024	For the period ended March 31, 2023
1. No of SPEs holding assets for securitization transactions originated by the originator	4	1
2. Total amount of securitized assets as per books of the SPEs	5,062.86	803.15
3. Total amount of exposures retained by the originator to comply with MRR as on the date of balance sheet	519.72	140.55
a) Off Balance sheet exposures	-	-
* First loss	-	-
* Others	-	-
b) On Balance sheet exposures	-	-
* First loss	519.72	140.55
* Others	-	-
4 Amount of exposures to securitization transactions other than MRR	260.98	-
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	260.98	-
* 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	4,488.50	702.76
6 Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitization asset servicing, etc	-	-
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	780.70	140.55
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, 2024	For the year ended March 31, 2023*
Number of Cases	1	7
Amount of Fraud	1.76	139.14
Recovery	-	35.60
Amount written off	1.76	103.55

* Amount reported above for the previous 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, 2024	For the year ended March 31, 2023*
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, 2024	As at March 31, 2023
Concentration of Advances		
Total advances to twenty largest borrowers	3,984.37	6,381.72
(%) of advances to twenty largest borrowers to total advances	12.38%	28.84%
Concentration of Exposures		
Total exposure to twenty largest borrowers	3,984.37	6,381.72
(%) of exposure to twenty largest borrowers to total exposure	12.38%	28.84%
Concentration of NPAs		
Total exposure to top four NPA accounts	32.70	34.53
(%) of exposure to top four NPA accounts	0.10%	0.16%



SATIN FINSERV LIMITED

Notes to the financial statements for the period ended March 31' 2024

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

(xvi) Movement of NPAs:-

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
i) Net NPAs to net advance (%)	2.73%	2.30%
ii) Movement of NPAs (Gross)		
a) Opening balance	1,044.62	899.99
b) Addition during the year	1,011.09	610.74
c) Reduction/ write off during the year	(458.34)	(466.11)
d) Closing balance	1,597.38	1,044.62
iii) Movement of NPAs (Net)		
a) Opening balance	605.65	537.24
b) Addition during the year	713.35	332.77
c) Reduction/ write off during the year	(268.02)	(264.36)
d) Closing balance	1,050.99	605.65
iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
a) Opening balance	438.97	362.75
b) Addition during the year	297.74	277.97
c) Reduction/ write off during the year	(190.32)	(201.75)
d) Closing balance	546.40	438.97

(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, 2024	For the year ended March 31, 2023
Provision for standard and non performing assets	92.15	21.25
Provision for gratuity	(37.55)	28.83
Provision for compensation absences	(20.43)	(10.07)
Other Provisions	166.63	26.14

(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, 2024 (Customer)	For the year ended March 31, 2023 (Customer)	For the year ended March 31, 2024 (Borrower)	For the year ended March 31, 2023 (Borrower)
a) Total amount of intra-group exposures	0.00	39.88	0.00	4,000.00
b) Total amount of top 20 intra-group exposures	0.00	39.88	0.00	4,000.00
c) Percentage of intra-group exposures to total exposure of the Company on borrowers/customers	0.00%	0.18%	0.00%	23.45%

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 read 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)

(xxi)

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*	232.03	-	-	232.03	-
Of which, MSMEs	-	-	-	-	-
Others - MSME	808.62	45.52	-	327.63	435.46
Total	1,040.65	45.52	-	559.66	435.46

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



SATIN FINSERV LIMITED

Notes to the financial statements for the period ended March 31' 2024

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

(xxii) Asset Liabilities Maturity pattern of certain items of assets and liabilities:-
As at March 31, 2024

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 Securities	-	-	-	-	-	-	-	1,952.13	-	-	1,952.13
Borrowings from Banks	0.47	-	129.84	130.46	156.16	471.29	777.25	1,564.81	0.20	-	3,230.47
Market Borrowings (other than Banks)	72.10	30.51	1,080.78	704.94	830.18	2,364.76	4,501.22	10,598.27	141.01	-	20,323.78
Assets											
Advances	718.03	43.96	1,287.92	853.98	863.27	3,801.33	5,601.60	18,101.46	1,286.53	302.99	32,861.06
Cash and cash equivalents	3,440.86	1,835.00	-	-	210.00	-	-	-	-	-	5,485.86
Bank balances other than cash and cash equivalents	490.00	-	-	5.00	-	11.00	81.88	3,371.81	-	-	3,959.69



SATIN FINSERV LIMITED

Notes to the financial statements for the period ended March 31' 2024
(All amounts in ₹ in lakhs, unless stated otherwise)

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 Securities	-	-	-	-	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	0.00	-	3,161.44



SATIN FINSERV LIMITED

Notes to the financial statements for the period ended March 31' 2024
(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	30,767.91	41.19	30,726.72	170.27	(129.08)
	Stage 2	495.76	81.25	414.52	1.98	79.26
Subtotal		31,263.67	122.44	31,141.24	172.26	(49.82)
Non-Performing Assets (NPA)						
Substandard	Stage 1	1.62	0.06	1.57	0.16	(0.11)
	Stage 2	216.11	44.36	171.74	21.61	22.75
	Stage 3	1,082.89	421.93	660.96	108.29	313.64
Doubtful - up to 1 year	Stage 3	296.76	80.04	216.72	59.35	20.69
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		296.76	80.04	216.72	59.35	20.69
Loss						
Subtotal for NPA	Stage 3	Nil	546.40	1,050.99	189.41	356.98
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		30,769.54	41.25	30,728.29	170.44	(129.18)
	Stage 2	711.87	125.61	586.26	23.59	102.02
	Stage 3	1,379.65	501.97	877.68	167.64	334.33
Total		32,861.06	668.84	32,192.22	361.67	307.16



(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:-

Sectors	For the year ended March 31, 2024			For the year ended March 31, 2023		
	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	6,768.04	556.53	8.22%	2,807.57	350.42	12.48%
MSME	3,775.56	473.59	12.54%	3,329.75	354.20	10.64%
Services	17,830.22	496.97	2.79%	10,964.13	335.54	3.06%
Corporate borrowers	4,197.08	-	0.00%	5,434.30	0.00	0.00%
Others	290.16	70.29	24.23%	167.28	4.46	2.67%
Total	32,861.06	1,597.38	4.86%	22,703.02	1,044.62	4.60%

(xxvii) Customer complaints:-

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
a) Number of complaints pending at the beginning of the year	-	-
b) Number of complaint received during the year	32	5
c) Number of complaints disposed during the year	32	5
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, 2024					
Complaint/enquiries w.r.t terms of loan agreement	-	32	540%	-	-
For the year ended March 31, 2023					
Complaint/enquiries w.r.t terms of loan agreement	-	5	-38%	-	-

(xxviii) Rating assigned by credit rating agencies and migration of ratings during the year-

During the year, the Company's various instruments were rated, the details of these ratings are as under:-

S. No.	Particulars	Amount	Credit rating agency	Current rating	Previous rating
1	Long-term fund-based bank facilities	80.00	ICRA Limited	ICRA A- (Stable)	NA
2	Long-term fund-based bank facilities	50.00	Acuite Ratings Ltd	ACUITE A- (Stable)	ACUITE BBB+ (Stable)
3	Long-term fund-based bank facilities*	50.00	CARE Ratings Limited	NA	CARE BBB+ (Stable)
4	Long-term fund-based bank facilities*	50.00	CARE Ratings Limited	CARE BBB+ (Stable)	CARE BBB- (Stable)
5	Non Convertible Debentures*	5.00	CARE Ratings Limited	NA	CARE BBB+ (Stable)
6	Non Convertible Debentures*	5.00	CARE Ratings Limited	CARE BBB+ (Stable)	CARE BBB+ (CE)(Stable)
7	Non Convertible Debentures	60.00	ICRA Limited	ICRA A- (Stable)	NA
8	Securitization	7.03	Acuite Ratings Ltd	ACUITE A- (SO)	Provisional ACUITE A- (SO)
9	Securitization	8.44	CARE Ratings Limited	CARE A- (SO)	NA
10	Securitization (Equity Tranche)	0.48	CARE Ratings Limited	CARE BBB (SO)	NA
11	Securitization	8.36	ICRA Limited	[ICRA]A+(SO)	NA
12	Securitization (Equity Tranche)	0.48	ICRA Limited	[ICRA]BBB+(SO)	NA
13	Securitization	21.06	ICRA Limited	[ICRA]A (SO)	NA



47 The Board of Directors of Tarashta 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 directions 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.

48 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.

49 Trade Receivables ageing schedule

Particulars	Outstanding for following periods from due date of payment - March 31' 2024							Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years		
(i) Undisputed Trade receivables – considered good	-	322.88	2.17	11.13	1.47	-	337.64	
(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 credit risk								
(vi) Disputed Trade Receivables – credit impaired								

Trade Receivables ageing schedule

Particulars	Outstanding for following periods from due date of payment- March 31' 2023							Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years		
(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 credit risk								
(vi) Disputed Trade Receivables – credit impaired								

49A Unbilled revenue ageing schedule

Particulars	Outstanding for following periods from due date of payment- March 31' 2024							Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years		
(i) Undisputed Unbilled revenue – considered good	-	121.04	-	-	-	-	121.04	

Unbilled revenue ageing schedule

Particulars	Outstanding for following periods from due date of payment- March 31' 2023							Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years		
(i) Undisputed Unbilled revenue – considered good	-	370.63	-	-	-	-	370.63	



50 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 made 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, 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.
- (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 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 on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

51 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 2024.

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



Place: Gurugram
Date: April 22'2024

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

Bhuvnesh Khanna
DIN: 03323118
WTD & CEO
Place: Gurugram

Arjun Bansal
Chief Financial Officer
Place: Gurugram
Date: April 22'2024

Harvinder Pal Singh
DIN: 00333754
Director
Place: Gurugram

Gurvinder Singh
M No.: A40102
Company Secretary
Place: Gurugram


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, 2024 and have issued our report dated April 22, 2024.

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. Due to the amalgamation of Taraashna Financial Services Limited (amalgamating entity) with the company, as on March 31, 2023, the company was not fulfilling Principal Business Criteria (PBC) 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 met the first criteria, but did not meet the second criteria as on March 31, 2023. However, the RBI vide letter dated July 22, 2022 granted the company, time till March 31, 2024 for fulfilling the said criteria as disclosed in note no. 43B to the financial statements and we reported in our Audit Report dated April 22, 2023.

On the basis of our examination and further information and explanation provided to us, the Company, as on March 31, 2024, is meeting both the criterion for PBC.

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 22, 2023.



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

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, 2024.

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, 2024.

(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 or 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: Delhi

Dated: April 22, 2024

For Rajeev Bhatia & Associates
Chartered Accountants

Firm's Registration No.: 021776N



Jatin Goel
Partner

M. No. 553420

UDIN - 24553420 BKABCC 7403



SATIN FINSERV LIMITED
Registered & Corporate Office: 4th Floor, 'B' Wing, Plot No. 492, Udyog Vihar,
Phase -III Gurugram, Haryana - 122016
| **CIN** : U65999HR2018PLC099128 | **Landline No** : 0124 – 47154000 |
| **E-Mail ID** : info@satinfinserv.com | **Website** : www.satinfinserv.com |

NOTICE

NOTICE is hereby given that the **Sixth Annual General Meeting** of the Shareholders of **Satin Finserv Limited** will be held on Thursday, August 8, 2024 at 11:00 A.M. at the Registered Office of the Company at 4th Floor, B Wing, Plot No. 492, Udyog Vihar, Phase III, Gurugram – 122016, Haryana, to transact the following business:

Ordinary Business:

1. ADOPTION OF FINANCIAL STATEMENTS AND THE REPORTS OF BOARD OF DIRECTORS AND AUDITORS

To consider, and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT the Annual Audited Financial Statements of the Company including the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss, the cash flow statement for the financial year ended on March 31, 2024, notes to financial statements, reports of the Board and Auditors’ thereon be and are hereby received, considered and adopted.”

2. RE-APPOINTMENT OF DIRECTOR

To consider, and if thought fit, to pass 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.”

3. APPOINTMENT OF STATUTORY AUDITORS

To consider, and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to provisions of Section 139 and 142 of the Companies Act, 2013 (**‘Act’**), and rules made thereunder, and Master Direction - Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, as amended, and based on recommendation of the Audit Committee and Board of Directors of the Company, M/s Rajeev Bhatia and Associates, Chartered Accountants (Firm Registration No. 021776N), having a valid Peer Review Certificate issued by Peer Review Board of Institute of Chartered Accountants of India, who being eligible for appointment as Statutory Auditors in terms of Section 141 of the Act & applicable rules, guidelines and circular issued by the Reserve Bank of India, from time to time, be and are hereby appointed as the Statutory Auditors of the Company for the term of 5 years i.e. from the conclusion of Sixth Annual General Meeting of the Company to till the conclusion of Eleventh Annual General Meeting of the Company 7 on such terms and conditions, including remuneration, reimbursement of expenses (if any) as may be

fixed and determined by the Board of Directors, as per recommendation of the Audit Committee and in consultation with the said Auditors.

RESOLVED FURTHER THAT the Board of Directors of the Company, including any Committee thereof, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this Resolution.”

By Order of the Board of Directors
For **Satin Finserv Limited**

Place: Gurugram
Date: July 24, 2024

Sd/-
(Gurvinder Singh)
Company Secretary & Chief Compliance Officer

Notes:

1. Information in accordance with Secretarial Standard 2 issued by the Institute of Company Secretaries of India for Item No. 2 is annexed as Annexure-1 to this notice.
2. A Shareholder 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 Shareholder of the Company. A person can act as proxy on behalf of Shareholder 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 Shareholder 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 shareholders.
3. Shareholders 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 One Hours 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.
4. Shareholders/Proxies are requested to bring their duly filled attendance slip sent herewith at the Meeting.
5. 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 One hour before the scheduled time of the Commencement of the Meeting.
6. Shareholders can inspect the register of director and key managerial personnel and their shareholding and register of contracts or arrangements as maintained under Sections 170 and 189 of the Companies Act, 2013 during the course of the meeting at the venue.
7. Shareholders holding equity capital shall have one vote per share.
8. Corporate Shareholders 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, except Saturdays and Sundays up to and including the date of Sixth 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 Sixth Annual General Meeting is annexed.

By Order of the Board of Directors
For **Satin Finserv Limited**

Place: Gurugram
Date: July 24, 2024

Sd/-
Gurvinder Singh
Company Secretary & Chief Compliance Officer

ANNEXURE-1 TO THE NOTICE

DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING IN ACCORDANCE WITH SECRETARIAL STANDARDS 2 ISSUED BY INSTITUTE OF COMPANY SECRETARIES OF INDIA

Name of the Director	Mr. Harvinder Pal Singh
Date of Birth	December 24, 1960
Age	64 Years
DIN	00333754
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
Directorships held in other companies (excluding foreign companies) as on date	<ul style="list-style-type: none"> • Trishashna Holdings & Investments Private Limited • Satin Creditcare Foundation • Parishek Finance Private Limited • Riwaaz Investments Private Limited • Satin Creditcare Network Limited • Tomorrow's One Capital Pte. Limited • Prestellar Ventures Fund I Pte. Ltd. • Satin Housing Finance Limited

Chairmanship / Memberships of committees across companies of the Board	Name of the Committee	Designation
	Audit Committee	Member
	Risk Management Committee	Member
	Asset Liability Management Committee	Member
	Nomination and Remuneration Committee	Member
	IT Strategy Committee	Member
Shareholding in the Company	NIL	
Relationship with other Directors/ Manager/ Key Managerial Personnel	NIL	
Number of Board Meetings attended during the FY 2023-24	7	

ATTENDANCE SLIP

(To be presented at the entrance)

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

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

Address: No. of Shares Held:

I hereby record my presence at the Sixth Annual General Meeting held on Thursday, August 8, 2024 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 Shareholder(s):

Registered Address:

E-mail Id:

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

We, being the shareholder of Satin Finserv Limited for _____ Equity shares, hereby appoint

1. Name:

.....

2. Address:

.....

3. Email Id:

.....

4. Signature:, or failing him

1. Name:

.....

2. Address:

.....

3. Email Id:

.....

4. Signature:, or failing him

1. Name:

.....

2. Address:

.....

3. Email Id:

.....

4. Signature:

.....

as our proxy to attend and vote by show of hands/ (on a poll) for us and on our behalf at the Sixth Annual General Meeting of the Company, to be held on Thursday, August 8, 2024 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: ADOPTION OF FINANCIAL STATEMENTS AND THE REPORTS OF BOARD OF DIRECTORS AND AUDITORS

RESOLUTION NO. 2: RE-APPOINTMENT OF DIRECTOR

RESOLUTION NO. 3: APPOINTMENT OF STATUTORY AUDITORS

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 One hour before the commencement of the Meeting.
- 2.) Those shareholder 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 Sixth Annual General Meeting
4th Floor, B wing, Plot No. 492, Udyog Vihar, Phase-III, Gurugram - 122016, Haryana

