

SATIN FINSERV LIMITED

Registered & Corporate Office: 4th Floor, 'B' Wing, Plot No. 492, Udyog Vihar, Phase -III
Gurugram, Haryana - 122016

CIN: U65999HR2018PLC099128 I Landline No: 0124 - 4715400

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

NOTICE

NOTICE is hereby given that the Seventh Annual General Meeting of the Members of Satin Finserv Limited will be held on July 18, 2025 at 11. AM. 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, with or without modification as an **Ordinary Resolution**: -

"RESOLVED THAT the Annual Audited Financial Statements of the Company including the Balance Sheet as at March 31, 2025, the Statement of Profit and Loss, the cash flow statement for the financial year ended on March 31, 2025, 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, with or without modification 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), Dr. 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."

Special Business:

3. ISSUANCE OF NON-CONVERTIBLE DEBENTURES (NCDS), IN ONE OR MORE SERIES/TRANCHES ON PRIVATE PLACEMENT BASIS

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

"RESOLVED THAT in supersession to all the earlier resolutions passed in this regard and pursuant to the provisions of Sections 23, 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with the Companies

(Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014, as amended, including any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being in force, the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the SEBI circular bearing reference number SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 on “Operational Circular for issue and listing of Non-Convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper”, each as amended and the enabling provision of the listing agreements to be entered into with the stock exchanges where the debentures of the Company to be listed, the Reserve Bank of India (“RBI”) Master Direction – Reserve Bank of India (Non-Banking Financial Company-Scale Based Regulation) Directions, 2023 dated October 19, 2023 and all other rules, regulations, guidelines, notifications, clarifications and circulars, if any, issued by any statutory/regulatory authority, as may be applicable, the Memorandum and Articles of Association of the Company and subject to such consents, approvals, permissions and sanctions of the concerned statutory and regulatory authorities, if any and to the extent necessary, consent of the members of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as the “Board” which term shall include any committee constituted / may be constituted by the Board to exercise its powers including the powers conferred under this resolution) to create, offer, invite for subscription, issue and allot secured/ unsecured/subordinated/senior, rated/unrated, listed /unlisted, perpetual or non-perpetual, redeemable (including market linked debentures), cumulative or non-cumulative nonconvertible debentures (“NCDs”) by way of private placement, in 1 (one) or more series or tranches, from time to time, to any category of investors eligible to invest in the NCDs and the aggregate amount to be raised through the issuance of NCDs shall not exceed an overall limit of upto INR 200,00,00,000/- (Indian Rupees Two Hundred Crore only) (“Limit”) within a period of 1 (one) year , from the date of approval of this resolution by the members of the Company and the Limit shall be subject to the overall borrowing limits of the Company, as approved by the members of the Company from time to time under Section 180(1)(c) of the Act, on such terms and conditions including the price, coupon, premium/ discount, tenor etc., and at such times whether at par/premium/discount, as may be determined by the Board to such person or persons including one or more company(ies), bodies corporate, foreign portfolio investor(s), overseas fund(s), statutory corporation(s), commercial bank(s), domestic and multilateral lending agency(ies), financial institution(s), insurance company(ies), mutual fund(s), alternative investment fund(s), pension/provident fund(s), family office(s), and individual(s), as the case may be or such other person/persons/investors as the Board may so decide/approve in its absolute discretion.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to determine the terms of issue of NCDs including but not limited to determining size, issue price, timing, tenure, interest rate, listing, if required, creation of security, utilization of the issue proceeds,

appointment of debenture trustee(s), registrar and transfer agent, legal counsel and other agency(ies) and to do all necessary acts and things and to execute all deeds, documents, instruments, papers and writings as may be required and to settle all questions, difficulties or doubts that may arise in this regard in its sole and absolute discretion as it may deem fit.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of its powers conferred herein to any committee authorised by the Board, or any Director(s) or executive(s)/ officer(s) of the Company."

Place: Gurugram
Date: June 26, 2025

By Order of the Board of Directors
For Satin Finserv Limited

Sd/-
Sangam Jaiswal
Company Secretary and Chief Compliance Officer

Notes:

1. An explanatory statement as required under Section 102 of the Companies Act, 2013 ("the Act") in respect of the special business specified above is annexed hereto. Information in accordance with Secretarial Standard 2 issued by the Institute of Company Secretaries of India for Item No. 2 of ordinary business is annexed as Annexure-1 to this notice.
2. A Member who is entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself/herself and such proxy need not be a Member of the Company. A person can act as proxy on behalf of Member not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. However, a Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other -Members.
3. Members desirous of obtaining any information/clarification(s) concerning the accounts and operations of the Company or intending to raise any query are requested to forward the same at 24 (twenty-four) 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. Members/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 48 (forty-eight) hours before the scheduled time of the Commencement of the Meeting.

6. Members 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 at the venue of the meeting.
7. Members holding equity capital shall have one vote per share.
8. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send to the Company a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
9. All documents referred to in accompanying notice and the statement shall be open for inspection at the Registered Office of the Company during the normal business hours from 09:00 a.m. to 06:00 p.m. on all working days, except Saturdays and Sundays up to and including the date of Seventh Annual General Meeting of the Company.
10. The route map showing direction to reach the venue of Seventh Annual General Meeting is annexed.

Place: Gurugram
Date: June 26, 2025

By Order of the Board of Directors
For Satin Finserv Limited

Sd/-
Sangam Jaiswal
Company Secretary and Chief Compliance Officer

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

ITEM NO.3: ISSUANCE OF NON-CONVERTIBLE DEBENTURES (NCDs), IN ONE OR MORE SERIES/TRANCHES ON PRIVATE PLACEMENT BASIS

Pursuant to Section 42 of the Companies Act, 2013, read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended from time to time, the Company is required to obtain the approval of its -Members by way of a special resolution, before making any offer or invitation for issuance of NCDs on a private placement basis. The said approval shall be the basis for the Board of Directors of the Company ("**Board**") to determine the terms and conditions of any issuance of NCDs by the Company for a period of 1 (one) year from the date on which the Members have provided the approval by way of the special resolution.

In order to augment resources for on-lending by the Company, repayment/refinance of existing debt, working capital requirement, purchase of assets, general corporate purposes, and for any other purposes, the Company may invite subscription for secured / unsecured / subordinated / senior, rated / unrated, listed / unlisted, perpetual or non-perpetual, redeemable (including market linked debentures), cumulative or non-cumulative non-convertible debentures ("**NCDs**"), in 1 (one) or more series / tranches on private placement basis. The NCDs proposed to be issued, may be issued either at par or at premium or at a discount to face value and the issue price (including premium, if any) shall be decided by the Board on the basis of various factors including the interest rate / effective yield determined, based on market conditions prevailing at the time of the issue(s).

The disclosures required pursuant to Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 are set out herein below:

Particulars of the offer including date of passing Board Resolution	<p>The third proviso to the Rule 14(1) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 ("Prospectus and Allotment Rules"), prescribes that where the proposed amount to be raised through offer or invitation of NCDs (as defined above) exceeds the limit prescribed under Section 180(1)(c) of the Companies Act, 2013, it shall be sufficient if the Company passes a special resolution only once in a year for all the offers or invitations for such NCDs during such year.</p> <p>In view of this, pursuant to this resolution under Section 42 of the Companies Act, 2013, the specific terms of each offer/issue of NCDs [whether secured/unsecured/subordinated/senior, rated/unrated, listed/unlisted, perpetual or non-perpetual, redeemable (including market linked debentures) NCDs] shall be decided from time to time, within a period of 1 (one) year from the date of the aforementioned resolution. In line with Rule 14(1) of the Prospectus and Allotment Rules, the date</p>
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	of the relevant resolution of the Board of Directors of the Company (“ Board ”) shall be mentioned/disclosed in the private placement offer cum application letter for each offer/issue of the NCDs. The particulars of each offer shall be determined by the Board (including any committee duly authorized by the Board), from time to time.
Kind of securities offered and the price at which the security is being offered	<p>Non-convertible debt instruments/NCDs.</p> <p>The non-convertible debt instruments/NCDs will be offered/issued either at par or at premium or at a discount to face value, which will be decided by the Board (including any committee duly authorized by the Board) for each specific issue, on the basis of the interest rate/effective yield determined, based on market conditions prevailing at the time of the respective issue.</p>
Basis or justification for the price (including premium, if any) at which the offer or invitation is being made	Not applicable, as the securities proposed to be issued (in a single issue or multiple issues/tranches) are non-convertible debt instruments/NCDs which will be issued either at par or at premium or at a discount to face value in accordance with terms to be decided by the Board (including any committee duly authorized by the Board), in discussions with the relevant investor(s).
Name and address of valuer who performed valuation	Not applicable as the securities proposed to be issued (in a single issue or multiple issues/tranches) are non-convertible debt instruments/NCDs.
Amount which the Company intends to raise by way of securities	The specific terms of each offer/issue of NCDs shall be decided from time to time, for a period of 1 (one) year from the date of the aforementioned resolution, provided that the amounts of all such NCDs at any time issued during such period of 1 (one) year from the date of passing of the aforementioned special resolution shall not exceed in the aggregate, the limit specified in the resolution under Section 42 of the Companies Act, 2013 i.e. upto ₹200 Crore (Rupees Two Hundred Crore only) and shall be subject to the overall borrowing limits of the Company as approved by the Members of the Company from time to time under Section 180(1)(c) of the Companies Act, 2013.
Material terms of raising of securities, proposed time schedule, purposes or objects of offer, contribution being made by the promoters or	The material/specific terms of each offer/issue of NCDs and the other information being sought herein shall be decided by the Board (including any committee duly authorized by the Board) from time to time within the period of 1 (one) year from the date of the aforementioned resolution, in discussions with the respective investor(s).

directors either as part of the offer or separately in furtherance of objects; principle terms of assets charged as securities

These disclosures will be specifically made in the respective transaction documents executed in respect of each offer/issue.

The Board of Directors at their meeting held on June 26, 2025, has approved (subject to approval of Members) the Issuance of Non-Convertible Debentures, in one or more series/tranches on Private Placement Basis.

Accordingly, consent of the Members of the Company is sought in connection with the aforesaid issue of NCDs and they are requested to authorize the Board (including any committee duly authorized by the Board) to issue such NCDs for a period of 1 (one) year on private placement basis upto ₹200 Crore (Rupees Two Hundred Crore only) as stipulated above, in one or more series/tranches on private placement basis but subject to the overall borrowing limits of the Company as approved by the Members of the Company at the AGM held on June 03, 2019, under Section 180(1)(c) of the Companies Act, 2013.

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in this Resolution.

Place: **Gurugram**
Date: **June 26, 2025**

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

**Sd/-
Sangam Jaiswal
Company Secretary and Chief Compliance Officer**

**ANNEXURE-1 TO THE NOTICE
(ITEM NO: 2 RE-APPOINTMENT OF DIRECTOR)**

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	Dr. Harvinder Pal Singh
Date of Birth	December 24, 1960
Age	64 Years
DIN	00333754
Qualifications	A fellow member of ICAI since 1984; a PHD holder from GNA University and a Law Graduate. Participated in Harvard Business School's Accion program and a leadership program at Wharton Business School. He is a law graduate too.
Brief Profile & Experience	<p>A law graduate and a fellow of The Institute of Chartered Accountants of India since 1984, Dr. HP Singh brings over four decades of experience in financial services and is a veteran in financial inclusion and innovation. In addition to his expertise in lending, particularly in the microfinance sector, Dr. Singh stands out not only for his financial acumen but also for his remarkable ability to inspire and mentor future leaders. His motivational leadership style, combined with a keen ability to drive organizational growth, has consistently empowered teams to achieve excellence.</p> <p>Dr. Singh is a part of the industry forum, the Federation of Indian Chambers of Commerce and Industry (FICCI), where he lends his expertise as a Banking and Financial Institution Committee member. As the former Chair of Sa-Dhan, he contributed significantly to the organization's growth and development over his two-year tenure. Dr. Singh has also been appointed as Trade Commissioner for the Indian ASEAN Trade Council, where he oversees the Council's efforts to enhance trade and economic cooperation between India and the ASEAN region.</p> <p>Dr. Singh participated in Harvard Business School's Accion Program on Strategic Leadership for Microfinance in 2009, as well as the leadership</p>

	<p>program organized by Women's World Banking at Wharton Business School, University of Pennsylvania in 2011.</p> <p>Dr. Singh has been conferred with the honorary degree of Doctor of Philosophy - Microfinance (Honoris Causa) by GNA University, a prestigious privately-owned institution based in Phagwara, Punjab, India. This distinguished recognition was awarded following a recommendation from the University's Governing Body in acknowledgment of his remarkable contributions to the field of microfinance and his steadfast commitment to driving social and economic empowerment.</p> <p>Dr. Singh has been the recipient of numerous prestigious accolades, reflecting his exceptional leadership and contributions across various fields.</p>
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 • Satin Technologies Limited



ATTENDANCE SLIP
(To be presented at the entrance)

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

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

Address: No. of Shares Held:

I hereby record my presence at the Seventh Annual General Meeting held on, July 18, 2025 at 11. AM. at its registered office at 4th Floor, B wing, Plot No. 492, Udyog Vihar, Phase-III, Gurugram, Haryana - 122016

SIGNATURE OF THE MEMBER/PROXY *

*Strike out whichever is not applicable.

**Form No. MGT-11
PROXY FORM**

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

CIN: U65999HR2018PLC099128

Name of the Company: Satin Finserv Limited

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

Name of the Member(s):

Registered Address:

E-mail Id:

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

I/ We, being the Member(s) 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:.....or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Seventh Annual General Meeting of the Company, to be held on July 18, 2025 at 11. AM. 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 resolutions and in such manner as are indicated below:

Resolution No.	Description of the Resolution	Optional*	
		For	Against
1.	Adoption of Financial Statements and the Reports of Board of Directors and Auditors		
2.	Re-appointment of Director		
3.	Issuance of Non-Convertible Debentures (NCDS), in one or more series/tranches on private placement basis		

Date:

Signature of the Member/ Authorized Representative

**Affix Re.
1
Revenue
Stamp**

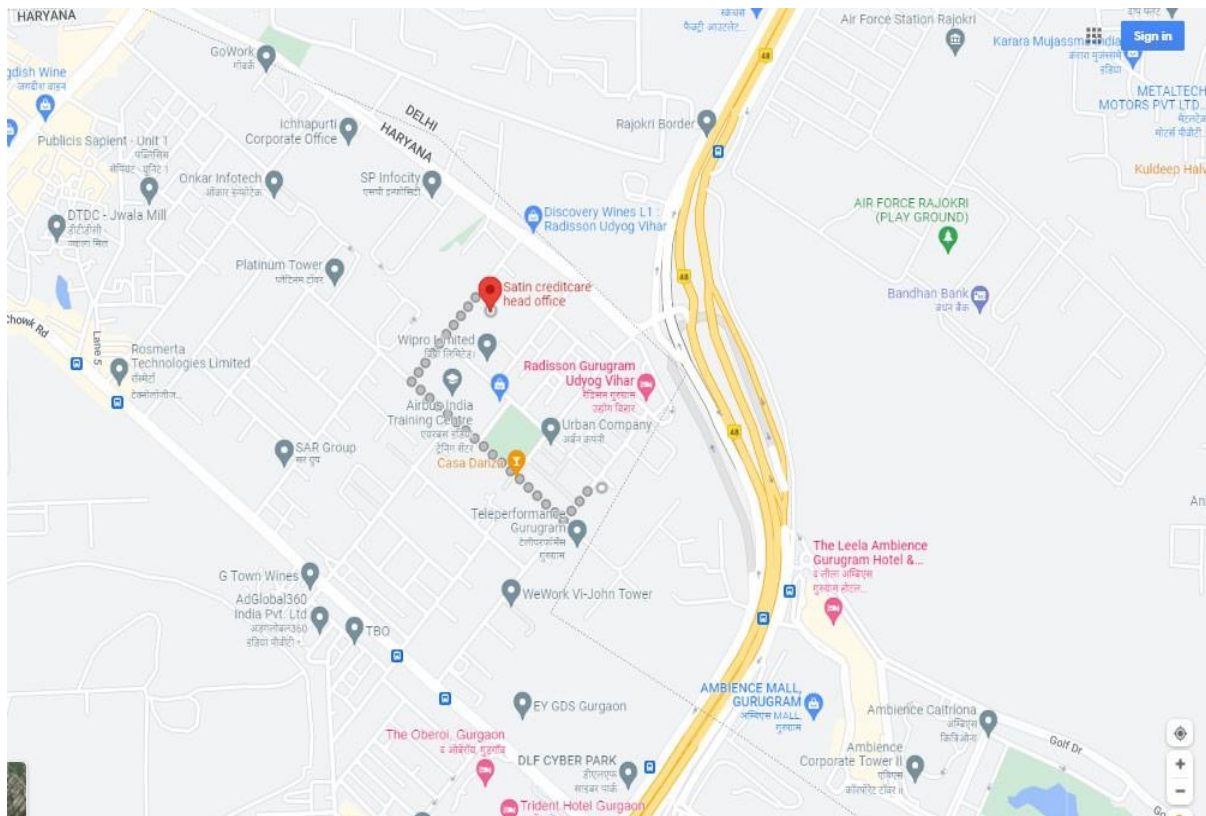
Note:

1. *It is optional to put a 'X' in the appropriate column against the respective resolutions indicated in the table above. If you leave the 'For' or 'Against' column blank against any or all resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
2. A Proxy need not be a Member of the Company. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as proxy on behalf of not more than fifty Members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as proxy for any other Member.
3. This form of Proxy, to be effective, should be duly completed and deposited at the Registered Office of the Company at 4th Floor, B wing, Plot No. 492, Udyog Vihar, Phase-III Gurugram, Haryana 122016 not later than 48 hours before the commencement of the aforesaid meeting.

ROUTE MAP

Venue of Seventh Annual General Meeting

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



REPORT OF THE BOARD OF DIRECTORS

Dear Members,

Your Board of Directors takes immense pleasure in presenting the 7th Board's Report of Satin Finserv Limited ("SFL" or "Company"), along with the Audited Financial Statements for the financial year ended March 31, 2025.

FINANCIAL HIGHLIGHTS

<i>Particulars</i>	<i>(In INR Lakhs)</i>	
	March 31, 2025	March 31, 2024
<i>Total revenue</i>	12,661.71	12,140.51
<i>Total expenses</i>	11,603.41	11,436.99
<i>Profit before Tax</i>	1,058.30	703.52
<i>Less: Tax Expenses</i>	313.02	188.75
<i>Profit after Tax</i>	745.28	514.77
<i>Add: Other comprehensive income</i>	0.41	(3.24)
<i>Total comprehensive income</i>	745.69	511.53
<i>Earnings per share (Basic & Diluted)</i>	0.47	0.36

STATE OF AFFAIRS OF THE COMPANY

Operational Highlights

The Company offers small ticket business Loans to business owners in manufacturing, trading and services providers posting a low annual turnover or a segment predominantly excluded from mainstream access to organized finance.

- During FY 2024-25, the loan portfolio of SFL has grown with an increase in geographic expansion maintaining stable net profit margins. Investments in technology and better credit assessments have enhanced operational efficiency and customer experience.
- As on March 31, 2025, SFL had 47 branches of SME lending 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 INR 745.28 Lakhs as compared to INR 514.77 Lakhs for the previous year, resulting in an increase of 44.77% in profit. This increase can be attributed to a 4.29 % increase in total revenue, which rose from INR 12,140.51 Lakhs to INR 12,661.71 Lakhs, coupled with increase in total expenses by 1.46%, which grew from INR 11,436.99 Lakhs to INR 11,603.41 Lakhs.
- During the period under review, your Company has disbursed loans of INR 34,789.53 Lakhs in SME Business and thereby, achieved AUM of INR 51,631.84 Lakhs (on book) and INR 3,135.71 Lakhs (off book).
- During the period under review, your Company's net worth stood at INR 18,255.74 Lakhs as on March 31, 2025. This is SFL's Seventh year of operations, and we have been profitable in all years,

except FY 2018-19 i.e. the year of Incorporation. SFL has reported total income of INR 12,661.71 Lakhs during the year ended March 31, 2025, and Profit before tax stood at INR 1,058.30 Lakhs. Capital to Risk Asset Ratio (CRAR) is 37.62% which is well above the regulatory requirement of 15.00%.

- During the seventh year of operations, SFL has shown decent growth in terms of sanctions & disbursements of loans with retail disbursements having grown by 51% from FY 23-24 in SME Business.

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Number of Branches	70	119
Number of Active Borrowers	66,301	1,21,293
Own*	38,171	21,123
Managed**	28,130	1,00,170
Gross Loan Portfolio (in Lakhs)	54,767.55	50,100.77
• Own*	51,631.84	32,637.32
• Managed**	3,135.71	17,463.44
Number of Employees	1,022	1,181
Total Disbursement (in Lakhs)	34,789.53	40,177.46
• Own*	34,789.53	21,943.16
• Managed**	-	18,234.30

*Own- SME Business **Managed- JLG Business Correspondent (BC)

***The Decrease in the amount pertaining to JLG Business is due to the Company's strategy to run down the BC operations of the JLG Business.

Credit Rating

The credit rating details of the Company as on March 31, 2025 was as follows:

Rating Agency	Facilities/Instruments	Amount (INR Lakhs)	Rating	Rating Action
ICRA Limited	Long-term fund-based bank facilities	8000	[ICRA]A-(Stable)	Reaffirmed
	NCD Programme	12000	[ICRA]A-(Stable)	Reaffirmed

Fund Raise

(a) Non-Convertible Debentures (NCDs) and Debenture Trustee:-

During the year under review, the Company had allotted the following debentures

- 2,500 (Two Thousand Five Hundred) Senior, Secured, Rated, Listed, Redeemable, Taxable Non-Convertible Debentures at a face value of INR 1,00,000/- (Indian Rupees One Lakh only) to 1 (One) investor on June 28, 2024 on private placement basis ;

2. 1,999 (One Thousand Nine Hundred Ninety-Nine) Senior, Secured, Rated, Listed, Redeemable, Taxable Non-Convertible Debentures at a face value of INR 1,00,000/- (Indian Rupees One Lakh only) to 1 (One) investor on August 30, 2024 on private placement basis ; and

3. 2,500 (Two Thousand Five Hundred) Senior, Secured, Rated, Listed, Redeemable, Taxable Non-Convertible Debentures at a face value of INR 1,00,000/- (Indian Rupees One Lakh only) to 1 (One) investor on September 20, 2024 on private placement basis.

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 the required documents and intimations to the Debenture Trustee as per agreed covenants and made timely payments.

(b) Bank Finance

As on March 31, 2025, borrowings from banks were INR 2,723.41 Lakhs as against INR 3,271.44 Lakhs as on March 31, 2024. The borrowings other than banks as on March 31, 2025 were INR 40,898.40 Lakhs as against INR 22,039.10 Lakhs as on March 31, 2024.

Scheme of Amalgamation

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.

Prospects & Outlook

SFL, having impressively crossed INR 500 crore on-Book AUM milestone, is charting an ambitious growth trajectory in India's rapidly expanding SME lending landscape. As the country's entrepreneurial base broadens and small businesses increasingly seek formal credit, SFL is uniquely poised to become a key enabler of this transformation. Backed by strong macroeconomic fundamentals, supportive government initiatives and a shift toward formalization of the MSME sector, the demand for agile and inclusive lending is at an all-time high.

Company's focused strategy centred around leveraging advanced technology and deep customer insights is designed to unlock the full potential of this market. By embracing alternative data, predictive analytics and introduction of automated loan processing, the company will be able to cater to new-to-credit borrowers and underserved regions with speed and precision.

Furthermore, SFL is gearing up to roll out specialized loan products, with a strong governance framework, prudent risk management and a customer-first philosophy. SFL is evolving into a next-generation NBFC with the capacity to shape the future of SME financing in India.

Looking ahead, the company has the potential to more than double its AUM in the next 2-3 years expand into new geographies, and emerge as a nationally recognized, tech-enabled financial powerhouse. SFL is no longer just a participant in the lending ecosystem, it is positioning itself as a transformative force driving financial inclusion, economic empowerment, and entrepreneurial growth at scale.

CAPITAL STRUCTURE

- **Authorized Share Capital**

As on March 31, 2025, the Authorized Share Capital of your Company stood at INR 1,58,00,00,000/- (Rupees One Hundred Fifty-Eight Crores) divided into 15,80,00,000 (Fifteen Crores Eighty Lakhs) Equity Shares of INR 10/- (Rupees Ten) each.

- **Issued Share Capital**

As on March 31, 2025, the Issued Share Capital of the Company stood at INR 1,57,55,78,920 (Rupees One Hundred Fifty-Seven Crores Fifty-Five Lakhs Seventy-Eight Thousand Nine Hundred and Twenty) divided into 15,75,57,892 (Fifteen Crores Seventy-Five Lakhs Fifty-Seven Thousand Eight Hundred and Ninety-Two) Equity Shares of INR 10/- (Rupees Ten) each.

- **Paid-up Share Capital**

As on March 31, 2025, the Paid-up Share Capital of the Company stood at INR 1,57,55,78,920 (Rupees One Hundred Fifty-Seven Crores Fifty-Five Lakhs Seventy-Eight Thousand Nine Hundred and Twenty) divided into 15,75,57,892 (Fifteen Crores Seventy-Five Lakhs Fifty-Seven Thousand Eight Hundred and Ninety-Two) Equity Shares of INR 10/- (Rupees Ten) each.

CHANGE IN THE NATURE OF BUSINESS

There was no change in the nature of Business of the Company during the year ended on March 31, 2025.

DIVIDEND

To grow the business of the Company and enhance the rate of return on investment of the Members, it is necessary to conserve the resources. The Directors are of the opinion to retain the profits for the year within the Company and thus have not recommended any dividend on Equity Shares for the year ended March 31, 2025.

RESERVE AND SURPLUS

An amount of INR 149.06 Lakhs, being 20% of the Profit After Tax (PAT) was transferred to Statutory Reserve of the Company during the year pursuant to Section 45 IC of the Reserve Bank of India Act, 1934. Closing balance of said reserve stood at INR 561.80 Lakhs as on March 31, 2025. Further, the closing balance of the retained earnings of the Company for FY 2024-25, after all appropriation and adjustments was INR (313.78) Lakhs as compared to INR (910.41) Lakhs in FY 2023-24.

DEPOSITS

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

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

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 the particulars of the loans and 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.

DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS

Your Company has aligned its current system of internal financial control with the requirement of the Act. The Company continues to monitor the efficiency of internal controls through a comprehensive internal control framework which has been designed to ensure transparency and accountability in the organisation's process of designing and implementing a system of internal control. Through this framework risks in the company are identified, 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 their report. Other Committees i.e. Nomination and Remuneration Committee (NRC), Asset Liability Management Committee (ALMC), Risk Management Committee (RMC) and Information Technology Strategy Committee (ITSC) (Full form of the name of Committees) 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, prevention and detection of frauds and errors, accuracy and completeness of accounting records, and timely preparation of reliable financial disclosures and ensuring compliance of corporate policies.

Also, an audit on internal systems, processes and controls as required under RBI Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices was conducted by CyberCube Services Private Limited. Further, as per the said audit report, all of the controls required 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.

MATERIAL CHANGES AND COMMITMENT AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There were no material changes and commitments or events recorded after the closure of financial year March 31, 2025 till the date of signing of Board's Report.

HOLDING, SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

Your Company is a 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, 2025

DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

• **Directors**

As on March 31, 2025, the Board of Directors comprises of 4 (Four) Directors, consisting of 3 (Three) Independent directors, 1 (One) Non-executive Director. The details are as follows:

S. No.	Name of Director(s)	Category of Director(s)
1.	Dr. Harvinder Pal Singh	Non-executive, Non -Independent Director
2.	Mr. Anil Kumar Kalra	Independent Director
3.	Mr. Sundeeep Kumar Mehta	Independent Director
4.	Ms. Jyoti Ahluwalia	Independent Director

Mr. Bhuvnesh Khanna (DIN: 03323118), Whole Time Director & CEO of the Company, had resigned w.e.f. January 16, 2025. The Board place on record, its appreciation for the valuable contribution of Mr. Bhuvnesh Khanna in the sustained growth of the Company during his tenure.

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

The composition of the Board is in conformity with the Act and other applicable laws.

• **Retire by Rotation**

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

The appointment of Directors and Senior Management are as per recommendation of the Nomination & Remuneration Committee of the Company, Fit and proper criteria of Company's policy and applicable RBI guidelines.

• **Key Managerial Personnel (KMP)**

As on March 31, 2025, there were 3 KMP's in the Company The details are as follows:

S. No.	Name of the KMP	Designation of the KMP
1.	Mr. Dhiraj Jha (appointed w.e.f January 17, 2025)	Chief Executive Officer
2.	Mr. Arjun Bansal	Chief Financial Officer
3.	Ms. Sangam Jaiswal (appointed w.e.f January 17, 2025)	Company Secretary & Chief Compliance Officer

• **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 as per provisions of the Master Directions – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023, as amended time to time.

MEETINGS OF THE BOARD

The Board of Directors, along with the Committees of the Board, provides leadership and guidance to the Company's Management and direct, supervise and control the activities of the Company.

The Board met 7 (Seven) times during the year under review. The meetings were held on the following dates April 22, 2024, July 24, 2024, September 9, 2024, October 25, 2024, January 16, 2025, January 31, 2025, and March 20, 2025.

PERFORMANCE EVALUATION OF BOARD COMMITTEES AND DIRECTORS

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 was carried out for FY 2024-25, 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 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 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 20, 2025 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 2024-25 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 found the quality, quantity and timeliness of flow of information between the Company management and the Board "satisfactory" for FY 2024-25.

The NRC has evaluated the performance of Independent and Non-Independent Directors in its meeting dated March 20, 2025, for the FY 2024-25 and forwarded the same for Board's consideration.

Thereafter, the evaluation qualitative comments and suggestions of Independent Directors and NRC was circulated to the Board and Board of Directors in its meeting held on March 20, 2025, inter-alia has evaluated the performance of Board, Committees (mandatory under Secretarial Standard -1) and Individuals Directors of the Company for the FY 2024-25 as required under applicable laws. The Board found the overall performance "satisfactory" for FY 2024-25.

In compliance with Schedule IV of the Act, the Independent Directors held their separate meeting on March 20, 2025 inter alia, for the following:

1. To review the performance of Non-Independent Directors and the Board as a whole.
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 at the meeting. The Independent Directors present at the meeting deliberated on the above and were satisfied with the performance of the non-independent director and the Board as a whole.

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.

DIRECTOR'S RESPONSIBILITY STATEMENT

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

1. That in the preparation of the annual accounts for the financial year ended March 31, 2025, 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, to give a true and fair view of the state of affairs of the Company as on March 31, 2025, 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 fraud and other irregularities.
4. That they have prepared the annual accounts for financial year ended March 31, 2025, on a going concern basis;
5. That they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively during the financial year ended March 31, 2025;
6. 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, 2025.

INFORMATION ON MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNAL

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

RELATED PARTY TRANSACTIONS

During the year under review, there is no materially significant related party transaction with the Company's promoters, directors, the management, their subsidiaries or relatives which may have potential conflict with the interest of the Company at large. The necessary disclosures regarding the related party transactions are given in the notes to accounts. In line with the requirements of the Act, the Company has formulated the RPT Policy.

All Related Party Transactions are placed before the Audit Committee for approval as per the Related Party Transactions Policy of the Company as approved by the Board. Further, details of all transactions with related parties are provided in the accompanying financial statements of the Company. Particulars of Contracts or Arrangements with related parties referred to in Section 188(1) is given in Form AOC- 2 as "Annexure - I".

AUDITORS AND THEIR REPORTS

Statutory Auditors and their report

At the Company's 6th Annual General Meeting held on August 8, 2024, M/s. Rajeev Bhatia & Associates, Chartered Accountants (ICAI Registration No. 021776N), Delhi, were re-appointed as Statutory Auditors of the Company for the term of five (5) consecutive years up to the conclusion of Eleventh Annual General Meeting of the Company.

Further, as per the provisions of Section 139 and Section 141 of the Companies Act, 2013, eligibility letters have been received from Statutory Auditors M/s. Rajeev Bhatia & Associates, Chartered Accountants (ICAI Registration No. 021776N) for the financial year 2025-26 and on recommendation of Audit Committee of the Company, the Board has reviewed and monitored their independence, performance and effectiveness of audit process as per the applicable laws.

The Auditors' Reports for the financial year 2024-25 do not contain any qualification, reservation, adverse remark or disclaimer. The notes regarding 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 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, had appointed M/s S. Behera & Co., Company Secretaries (ICSI PCS Registration No. 5980), as Secretarial Auditor of the Company for FY 2024-25 for conducting the audit of the secretarial and related records of the Company. The Company 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 II". There is no qualification, reservation or adverse remark made in the Secretarial Audit Report.

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

In view of the requirements, M/s DPV & Associates LLP, Practicing Company Secretaries (FRN: L2021HR009500) were appointed as Secretarial Auditors of the Company in the Board Meeting held on April 25, 2025 for the financial year 2025-26. M/s DPV & Associates LLP a peer-reviewed firm having Certificate No. 6189/2024, valid until October 31, 2029.

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 have reported to the Audit Committee or to the Board, under section 143(12) of the Act, any instance of the fraud committed in the Company, the details of which need to be mentioned in the Board's 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 3 (Three) members including 2 (Two) Independent Directors.

The Audit Committee, in compliance with recent RBI amendments, ensures that Information System Audits of the Internal Controls are conducted 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.

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 as 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.

POLICIES

1. Corporate Social Responsibility Policy

Sustainability and Social Responsibility are an integral element of the 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 time to time. The CSR policy is available on the website of the Company at <https://satinfinserv.com/practice-policies/>

However, as exempted under Section 135(9) of the Act, the Company was not required to constitute the Corporate Social Responsibility Committee for the year ended March 31, 2025.

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 figures of average net profit of the Company during the three immediately preceding financial year.

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 analyses 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 fraud are mitigated through the Board approved Fraud Risk Management Policy. Fraud risk is monitored through oversight by senior management, who review matters relating to fraud risk, including corrective and remedial actions with regard 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 has duly constituted Internal Complaint Committee (ICC) 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 states 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, 2024, was filed with concerned authorities within the prescribed timelines.

The details of complaints relating to sexual harassment for the financial year are as follows:

- Number of complaints of sexual harassment received during the year: **Nil**
- Number of complaints disposed off during the year: **Nil**
- Number of cases pending for more than ninety days: **Nil**

The Company maintains a zero-tolerance policy towards sexual harassment and ensures a safe and secure working environment for all employees, particularly women.

4. Maternity Benefit Act 1961

The Company has complied with all applicable provisions of the Maternity Benefit Act, 1961. All eligible women employees have been granted maternity benefits as per the entitlements under the act. The Company remains committed to supporting and protecting the rights and well-being of women employees.

5. 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 a Nomination and Remuneration Policy which is also available at <https://satinfinserv.com/practice-policies/>

6. Whistle Blower Policy

Your Company has a Whistle Blower Policy to deal with instances of fraud, unethical behavior 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 the highest standards of professionalism. The Whistle Blower Policy provides adequate safeguards against victimization of people and ensures that any employee, officer and director who violates the requirements of this policy will be subject to disciplinary action. The Audit Committee reviews the functioning and complaint received under Whistle Blower Policy, if any, on a quarterly basis. During the period under review, the Company has not received any complaint under the Whistle Blower Policy/Vigil Mechanism.

7. Other Statutory Policies

The Company has all statutory policies as required under applicable provisions of the Companies Act, 2013 and applicable under SEBI, RBI guidelines.

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 reviews the Fair Practice Code and its functioning. The Board approved Fair Practice Code is disclosed on the website of the Company at <https://satinfinserv.com/practice-policies/> Also, Fair Practice Code are being displayed at branches, regional offices and where business is transacted.

CUSTOMER GRIEVANCE

The Company has a dedicated Customer Grievance team for receiving and handling customer complaints/grievances and to ensure that the customers are always treated in a fair and unbiased manner. All grievances raised by the customers are dealt with courtesy and redressed expeditiously.

PARTICULARS OF EMPLOYEES

Disclosure pertaining to remuneration and other details as required under Section 197(12) read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not applicable over the Company.

However, there are no employee drawing remuneration in excess of limits as laid down under rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014. The form and amount of director's remuneration was recommended by the NRC to the Board for approval within the maximum amount permissible under the law. Employee directors will not be paid for Board Membership (sitting fees) addition to their regular employee compensation. The NRC will conduct a review of director compensation on periodic basis to ensure directors of the company are compensated effectively in a manner consistent with the strategy of the Company, and to further ensure that the Company will be able to attract, retain and reward those who contribute to the success of the Company.

LISTING ON STOCK EXCHANGE

The Non-Convertible Debentures issued on private placement basis are listed on Wholesale Debt Market Segment of Bombay Stock Exchange.

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, 2025 is available on the Company's website on <https://satinfinserv.com/annual-returns/>

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 are not applicable. Further, there are no foreign exchange earnings(s) or outgo during the financial year 2024-25. 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. benefits derived from like product improvement, cost reduction, product development or import substitution. iii. In the 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 has not imported any technology.
C)	Foreign exchange earnings and Outgo	Nil

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.

RBI NORMS AND STANDARDS

The Company complies with 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 with 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. 45 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 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.

DISCLOSURES UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016

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

DETAILS OF DIFFERENCE BETWEEN THE 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 a one-time settlement of any loan obtained from Banks or financial institutions. Therefore, the details regarding the difference between the 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 Members. 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 of Directors
FOR SATIN FINSERV LIMITED**

Sd/-
Dr. Harvinder Pal Singh
DIN: 00333754
Director

Sd/-
Mr. Sundeep Kumar Mehta
DIN: 00840544
Director

**Date: June 26, 2025
Place: Gurugram**



Satin Finserv Limited

FORM NO. AOC-2

Annexure-1

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

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

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

- Name(s) of the related party and nature of relationship:
- Nature of contracts/arrangements/transactions:
- Duration of the contracts / arrangements/transactions:
- Salient terms of the contracts or arrangements or transactions including the value, if any:
- Justification for entering into such contracts or arrangements or transactions
- Date(s) of approval by the Board:
- Amount paid as advances, if any:
- Date on which the special resolution was passed in general Meeting as required under first proviso to section 188:

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

S. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements /transactions	Duration of the contracts / arrangements /transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
1.	Satin Creditcare Network Limited (Holding Company)	To avail the Business Correspondence Services from SCNL	3 (Three) years from effective date (August 1, 2024) and may be further extended as mutually decided in writing	SCNL would refer its existing customers to SFL who are interested in seeking high-ticket loans, for which SCNL should charge a fee based on cost, profit-margin with certain assumptions i.e. INR 420/- (Indian Rupees Four Hundred Twenty Only) plus applicable taxes for per successful case ('Referral Fee'), on the terms and conditions mentioned in the agreement	July 24, 2024	NIL
2.	Mr. Varun Shankardass (Daughter's Husband of Mr. Harvinder Pal Singh, Non-Executive Director)	Appointment of Mr. Varun Shankardass as Deputy Vice President - Product Strategy and New Initiatives in the Company	N.A.	N.A.	September 9, 2024	NIL

For and on behalf of the Board of Directors

FOR SATIN FINSERV LIMITED

Sd/-
Dr. Harvinder Pal Singh
DIN: 00333754
Director
Date: June 26, 2025
Place: Gurugram

Sd/-
Mr. Sundeep Kumar Mehta
DIN: 00840544
Director

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED**MARCH 31, 2025 (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, 2025** 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, 2025** 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 Applicable 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 NBFCs-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/ Regulations 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 Agreements 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 Financial Officer/Whole Time Director and Chief Executive Officer 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, Women Director 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 were 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 meetings held on June 28, 2024, August 30, 2024 and September 20, 2024, approved the allotment of 2500, 1999 and 2500 senior, secured, rated, listed, redeemable, taxable non-convertible debentures having a face value of INR 1,00,000 (Rupees One Lakh) each and an aggregate face value of INR 25,00,00,000 (Rupees Twenty Five Crores), 19,99,00,000 (Rupees Nineteen Crores Ninety Nine Lakhs) and 25,00,00,000 ((Rupees Twenty Five Crores) respectively on a private placement basis;
- The members vide their AGM held on August 08, 2024 approved the appointment of M/s Rajeev Bhatia and Associates, Chartered Accountant as Statutory Auditors for the term of 5 (five) years;
- The Board of Directors vide their meeting held on October 25, 2024, noted the resignation of Mr. Gurvinder Singh as Company Secretary & Chief Compliance Officer (KMP) w.e.f. September 11, 2024
- The members vide their EOGM held on October 28, 2024 approved the appointment of Mr. Varun Shankardass (Related Party) to hold office or place of profit in the Company;
- The Board of Directors vide their meeting held on January 16, 2025, approved the appointment of Mr. Dhiraj Jha as Chief Executive Officer (CEO) of the Company w.e.f. January 17, 2025, upon the resignation of Mr. Bhuvnesh Khanna as Whole-time Director & CEO of the Company w.e.f. January 16, 2025;
- The Board of Directors vide their meeting held on January 16, 2025, approved the appointment of Ms. Sangam Jaiswal as Whole-time Company Secretary & Chief Compliance Officer of the Company.

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:F008428G000187521

Date: April 24, 2025
Place: New Delh



Annexure-'A

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:F008428G000187521

Date: April 24, 2025
Place: New Delhi

CORPORATE GOVERNANCE REPORT

1) Composition of the Board

As on March 31, 2025, the Board of Directors of **Satin Finserv Limited** (the 'Company') as tabled below:

S. No.	Name of Director	Director since	Designation/Category	DIN	Number of Board Meetings		Whether Attended the last AGM held on August 08, 2024	Total No. of other Directorships held	Remuneration			No. of shares held in, and convertible instruments held in the Company
					Held	Attended			Salary and other compensation	Sitting Fee	Commission	
1.	Dr. Harvinder Pal Singh	August 10, 2018	Non-Executive & Non-Independent Director	00333754	7	7	Yes	7	-	-	-	NA
2.	Mr. Anil Kumar Kalra	August 10, 2018	Independent Director	07361739	7	7	No	1	-	3,10,000	-	NA
3.	Mr. Sundeep Kumar Mehta	August 10, 2018	Independent Director	00840544	7	6	Yes	1	-	2,80,000	-	NA
4.	Ms. Jyoti Ahluwalia	March 30, 2021	Independent Director	09112407	7	7	Yes	1	-	1,10,000	-	NA

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

S. No.	Name of Director	Designation/Category	Nature of Change (resignation, appointment)	Effective Date
1.	Mr. Bhuvnesh Khanna	Whole Time Director and CEO	Resignation	January 16, 2025

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



The dates for the Board Meetings are fixed after taking into account the convenience of all the Directors and sufficient notice, in terms of applicable laws, is given to all of them. All the agenda papers for the Board and Committee Meetings are disseminated electronically on a real-time basis via e-mail to all the Directors at least seven days in advance from the date of Board Meetings and Committee Meetings. During the year under review, few shorter notice Meetings also convened as per the consent of all Board Members. At the Board Meetings, the Director(s) and Senior Management make presentations on various matters including the financial results, operations related issues, risk management, the economic and regulatory environment, compliance, investors' perceptions etc. All the information required for decision making are incorporated in the agenda. The Board reviews the performance of the Company and sets the strategy for future. The Board takes on record the actions taken by the Company on all its decisions periodically.

In line with the Company's commitment to digitization, BoardPAC Software—a secure, paperless meeting solution—is used to provide Board Members with seamless access to agenda documents via mobile application. This platform upholds the highest standards of confidentiality and data security. Additionally, video conferencing or other audio-visual means are utilized to enable Directors to participate in meetings when physical attendance is not possible.

None of the Directors on the Board holds directorships in more than ten public companies and the composition of the Board of Directors of the Company is in conformity with the provisions of the Companies Act, 2013 and also in terms of guidelines as issued by Reserve Bank of India. Further, none of the Directors holds any shares and/or convertible instruments in the Company.

During the year under review, the Board met 07 (seven) times on April 22, 2024; July 24, 2024; September 9, 2024; October 25, 2024; January 16, 2025; January 31, 2025; and March 20, 2025. The maximum interval between any two consecutive meetings was less than 120 days, in compliance with Section 173 of the Companies Act, 2013 and Secretarial Standard-1 issued by the Institute of Company Secretaries of India (ICSI). While a minimum of four Board Meetings is mandated annually under applicable laws, the Company convened additional meetings to address specific business requirements.

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, 2025, the Committee comprises of 3 (Three) members including 2 (Two) Independent Directors and 1 (One) Non-Executive Non-Independent Director. During the financial year, the Committee met five (5) times. The dates of the Meetings being April 22, 2024; July 24, 2024; September 9, 2024; October 25, 2024 and January 31, 2025.

The composition and details of the attendance of the Directors at the Audit Committee meetings during the financial year 2024-25 are given below:

S. No.	Name of Director	Member of Committee since	Designation/Category	Number of Meetings of the Committee		% of attendance	No. of shares held in the Company
				Held	Attended		
1.	Mr. Sundeep Kumar Mehta	January 31, 2019	Chairman(Independent)	5	5	100	Nil

2.	Dr. Harvinder Pal Singh	January 31, 2019	Member (Non-Executive Non-Independent Director)	5	5	100	Nil
3.	Mr. Anil Kumar Kalra	January 31, 2019	Member (Independent Director)	5	5	100	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 accordance with the provisions of Section 178 of the Companies Act, 2013 and the applicable Master Directions issued by RBI. As on March 31, 2025, NRC comprises of 3 (Three) members including 2 (Two) Independent Directors and 1 (One) Non-Executive Non-Independent Director. During the financial year, the Committee met four (4) times i.e. on, April 22, 2024; September 9, 2024; January 16, 2025 and March 20, 2025.

The composition and details of the attendance of the Directors at the NRC meetings during the financial year 2024-25 are given below:

S. No.	Name of Director	Member of Committee since	Designation/Category	Number of Meetings of the Committee		% of attendance	No. of shares held in the Company
				Held	Attended		
1.	Mr. Anil Kumar Kalra	January 31, 2019	Chairman (Independent Director)	4	4	100	Nil

2.	Dr. Harvinder Pal Singh	January 31, 2019	Member (Non-Executive Non-Independent Director)	4	4	100	Nil
3.	Mr. Sundeep Kumar Mehta	January 31, 2019	Member (Independent Director)	4	3	75	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;
- 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 implement and monitor policies and processes regarding principles of corporate governance;
- 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.

The policy is laid down by Nomination and Remuneration Committee for remuneration of Directors, Key Managerial Personnel, Senior Management & Other Employees and the criteria formulated by the Committee for determining Qualifications, Positive Attributes, and Independence of Directors. Pursuant to Section 178 of the Act read with Rule 6 of the Companies (Meeting of Board and its Powers) Rules, 2014, as amended, the Board of Directors of the Company has put in place the Policy on Nomination & Remuneration for Directors, Key Managerial Personal (KMP), Senior Management and other Employees ("NRC Policy").

iii) Risk Management Committee:

- The Risk Management Committee ("RMC") constituted in accordance with the applicable Master Directions issued by RBI. As on March 31, 2025, RMC comprises of 4 (Four) members including 2 (Two) Independent Directors, 1 (One) Non-Executive Non-Independent Director and 1 (One) members at Executive Level
- During the year under review, the RMC met 2 (Two) times on June 26, 2024 and December 24, 2024.
- The composition and details of the attendance of the Directors at the RMC meetings during the financial year 2024-25 are given below:

S. No.	Name of Director	Member of Committee since	Designation/Category	Number of Meetings of the Committee		% of attendance	No. of shares held in the Company
				Held	Attended		
1.	Mr. Sundeep Kumar Mehta	May 2, 2019	Chairman (Independent Director)	2	2	100	Nil
2.	Dr. Harvinder Pal Singh	May 2, 2019	Member (Non-Executive Non-Independent Director)	2	1	50	Nil
3.	Mr. Anil Kumar Kalra	May 2, 2019	Member (Independent Director)	2	2	100	Nil
4.	Mr. Surojit Chatterjee	October 21, 2022	Member (Head- Credit & Risk)	2	2	100	Nil

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 accordance with the applicable Master Directions issued by RBI. As on March 31, 2025, ALMC comprises of 3 (Three) members including 1 (One) Non-Executive Non-Independent Director and 2 (Two) members at Executive Level. During the year under review, the ALMC met 2 (Two) times on August 14, 2024 and February 10, 2025.

The composition and details of the attendance of the Directors at the ALMC meetings during the financial year 2024-25 are given below:

S. No.	Name of Director	Member of Committee since	Designation/Category	Number of Meetings of the Committee		% of attendance	No. of shares held in the Company
				Held	Attended		
1.	Dr. Harvinder Pal Singh	February 22, 2019	Chairman(Non-Executive Non-Independent Director)	2	2	100	Nil
2.	*Mr. Dhiraj Jha	January 17, 2025	Member (Chief Executive Officer)	2	1	50	Nil
3.	Mr. Arjun Bansal	August 3, 2021	Member (Chief Financial Officer)	2	2	100	Nil
4.	**Mr. Bhuvnesh Khanna	January 19, 2024	Member (Whole Time Director and CEO)	2	1	50	Nil

* Mr. Bhuvnesh Khanna (DIN: 03323118), Whole Time Director & CEO of the Company, had resigned w.e.f January 16, 2025.

**Mr. Dhiraj Jha has been appointed as Chief Executive Officer w.e.f. January 17, 2025.

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, 2025, ITSC comprises of 6 (Six) members including 2 (Two) Independent Directors, 1 (One) Non-Executive Non-Independent Director and 3 (Three) Members at Executive Level. During the year under review, the ITSC met 4 (Four) times on June 26, 2024; September 30, 2025; December 30, 2025 and March 20, 2025.

The composition and details of the attendance of the Directors at the ITSC meetings during the financial year 2024-25 are given below:

S. No.	Name of Member	Member of Committee since	Designation/Category	Number of Meetings of the Committee		% of attendance	No. of shares held in the Company
				Held	Attended		
1.	Mr. Anil Kumar Kalra	January 19, 2024	Chairman (Independent Director)	4	4	100	NA
2.	Dr. Harvinder Pal Singh	January 19, 2024	Member (Non-Executive Non-Independent Director)	4	4	100	NA
3.	Mr. Sundeep Kumar Mehta	May 2, 2019	Member (Independent Director)	4	4	100	NA
4.	#Mr. Dhiraj Jha	February 01, 2025	Member (Chief Executive Officer)	4	1	25	NA
5.	Mr. Arjun Bansal	August 3, 2021	Member (Chief Financial Officer)	4	4	100	NA
6.	#Mr. Aniruddha Tripathi	February 1, 2025	Member (Head - IT (SFL))	4	1	25	NA
7.	*Mr. Bhuvnesh Khanna	January 19, 2024	Member (Whole Time Director and CEO)	4	3	75	NA
8.	**Mr. Sunil Yadav	August 03, 2021	Member (Head - IT (SCNL))	4	2	50	NA

Mr. Dhiraj Jha has been appointed as Chief Executive Officer w.e.f. January 17, 2025 and Mr. Aniruddha Tripathi has been appointed as Head-IT w.e.f. January 17, 2025.

* Mr. Bhuvnesh Khanna (DIN: 03323118), Whole Time Director & CEO of the Company, had resigned w.e.f January 16, 2025.

**Mr. Sunil Yadav, Head-IT of SCNL, is no longer member of the committee due to reconstitution w.e.f. February 1, 2025.

3) General Body Meetings:

Details of General Body Meetings held during the financial year 2024-25 are given below:

S. No.	Type of Meeting (Annual/Extra-Ordinary General Meeting)	Date and Place	Whether any Special Resolution(s) passed
1.	Annual General Meeting	August 8, 2024 Gurugram, Haryana	No
2.	Extra-Ordinary General Meeting	October 28, 2024 Gurugram, Haryana	No

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

For and on behalf of the Board of Directors

FOR SATIN FINSERV LIMITED

Sd/-
Dr. Harvinder Pal Singh
DIN: 00333754
Director

Sd/-
Mr. Sundeep Kumar Mehta
DIN: 00840544
Director

Date: June 26, 2025

Place: Gurugram

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

ECONOMIC OVERVIEW

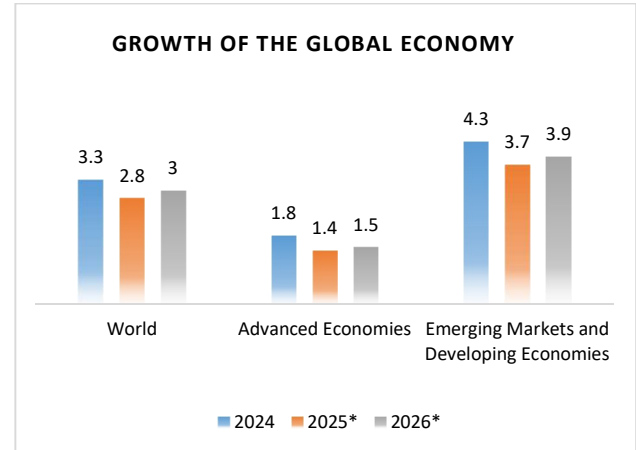
Global Economy Overview

Following an unprecedented series of shocks in the preceding years, global growth was stable yet underwhelming through 2024. As the New Year unfolds, the global economic trajectory continues to be reshaped by a convergence of structural shifts, policy realignments, and escalating geopolitical tensions. A major disruption to the global economic order emerged with the United States' enactment of broad-based tariff measures, prompting swift retaliatory actions from several major trading partners. These developments culminated in the near-universal imposition of tariffs effective April 2, 2025, driving global tariff rates to historic highs not seen in over a century. The unpredictability with which these measures have been unfolding also has a negative impact on economic activity and the outlook and, at the same time, makes it more difficult than usual to make assumptions that would constitute a basis for an internally consistent and timely set of projections.

Intensifying downside risks dominate the outlook, amid escalating trade tensions and financial market adjustments. Divergent and swiftly changing policy positions or deteriorating sentiment could lead to even tighter global financial conditions. Ratcheting up a trade war and heightened trade policy uncertainty may further hinder both short-term and long-term growth prospects. Scaling back international cooperation could jeopardize progress toward a more resilient global economy.

Global headline inflation is expected to decline at a pace that is slightly slower than what was expected in January, reaching 4.3 percent in 2025 and 3.6 percent in 2026, with notable upward revisions for advanced economies and slight downward revisions for emerging market and developing economies in 2025.

Growth of the Global Economy (in %)



*Projections

(Source: IMF's World Economic Outlook, April 2025)

Outlook

A steady growth trajectory shapes the global economic outlook for 2024, though regional patterns vary. The near-term global growth is expected to be a shade lower than the trend level. The services sector continues to drive global expansion, with notable resilience in India. Meanwhile, manufacturing is struggling in Europe, where structural weaknesses persist. Trade outlook also remains clouded in the next year.

Inflationary pressures have been easing globally, though risks of synchronised price pressures linger due to potential geopolitical disruptions, such as tensions in the Middle East and the ongoing Russia-Ukraine conflict. Central banks have adopted more accommodative monetary policies. However, the pace of rate cuts varies across regions depending on the growth imperatives and the pace of disinflation, creating potential divergences in economic recovery.

The path forward demands clarity and coordination. Countries should work constructively to promote a stable and predictable trade environment, facilitate debt restructuring, and address shared challenges. At the same time, they should address domestic policy and structural imbalances, thereby ensuring their internal economic stability. This will help rebalance growth-inflation trade-offs, rebuild buffers, and reinvigorate medium-term growth prospects, as well as reduce global imbalances. The priority for central banks remains fine-tuning monetary policy stances to achieve their mandates and ensure price and financial stability.

in an environment with even more difficult trade-offs. Macroprudential tools should be activated as needed to contain the build-up of vulnerabilities and to provide support in case of stress events. Restoring fiscal space and putting public debt on a sustainable path remain an important priority, while meeting critical spending needs to ensure national and economic security. This requires credible medium-term fiscal consolidation plans. Structural reforms in labour, product, and financial markets would complement efforts to reduce debt and narrow cross-country disparities.

Indian Economy

In an era marked by escalating global trade tensions and persistent geopolitical uncertainties, the Indian economy has demonstrated remarkable resilience and robust growth. India has firmly established itself as the world's fourth-largest economy, surpassing Japan, with an impressive GDP growth of around 6.5% in 2024-25. This momentum was driven by strong pipeline of government-led infrastructure investments and sustained expansion in key sectors, including finance, real estate, and construction. Additionally, targeted financial inclusion measures and a robust agricultural performance have supported rural demand, further contributing to overall economic growth. Notably, in Q4 (1st January 2025 – 31st March 2025) of 2024-25, India's real GDP surged by 7.4% year-on-year, the highest quarterly growth of the fiscal year, driven by a sharp rebound in industrial activity, particularly manufacturing, mining, and construction, alongside a significant uptick in net indirect tax collections. In its June 6, 2025, policy review, the RBI executed a 50-bps repo rate cut, bringing the rate down to 5.50%, and simultaneously trimmed the Cash Reserve Ratio (CRR) by 100 bps, injecting nearly INR 2.5 trillion of liquidity into the banking system. This front-loaded easing, building on earlier cuts of 25 bps in February and April, signals a decisive pivot to rejuvenate growth. Inflation has moderated, and policy measures have helped stabilize market liquidity. However, foreign portfolio outflows and currency depreciation remain key risks.

India's economic outlook for 2025 and 2026 remains one of the brightest among major global economies, as highlighted by the IMF. Despite global uncertainties and downward revisions in growth forecasts for other large economies, India is set to maintain its leadership in global economic growth. With reforms in infrastructure, innovation, and financial inclusion, India continues to enhance its role as a key driver of global economic activity. The IMF's projections reaffirm India's resilience,

further solidifying its importance in shaping the global economic future.

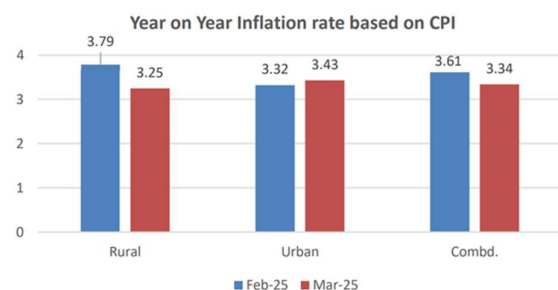
As the country aims to accelerate its economic growth rate in the coming years, it has the tailwind of strong balance sheets in the domestic corporate and financial sectors. But globalisation is on the retreat. Hence, raising the growth average in the next two decades will require reaping the demographic dividend through a deregulation stimulus. The domestic economy remains steady amidst global uncertainties.

In this global context, India displayed steady economic growth. Growth in the first half of FY25 was supported by agriculture and services, with rural demand improving on the back of record Kharif production and favourable agricultural conditions. The manufacturing sector faced pressures due to weak global demand and domestic seasonal conditions. Private consumption remained stable, reflecting steady domestic demand. Fiscal discipline and strong external balance supported by a services trade surplus and healthy remittance growth contributed to macroeconomic stability. Together, these factors provided a solid foundation for sustained growth amid external uncertainties

(Source- <https://www.pib.gov.in/> and Economic Survey and Reuters)

Inflation

Retail inflation in India, as measured by the Consumer Price Index (CPI), which reflects the cost of everyday goods and services, fell to a remarkable 4.6% in the fiscal year 2024-25, the lowest since 2018-19. This milestone highlights the effectiveness of the Reserve Bank of India's pro-growth monetary policy, which has successfully balanced economic expansion with price stability. Notably, the year-on-year inflation rate for March 2025 dropped to 3.34%, a decline of 27 basis points from February 2025, marking the lowest monthly inflation rate since August 2019.



(Source- <https://www.pib.gov.in/>)



Satin Finserv Limited

Future Projection

India is projected to remain the fastest-growing large economy for 2025 and 2026, reaffirming its dominance in the global economic landscape. The country's economy is expected to expand by 6.2 per cent in 2025 and 6.3 per cent in 2026, outpacing many of its global counterparts. In contrast, the IMF projects global economic growth to be much lower, at 2.8 per cent in 2025 and 3.0 per cent in 2026, highlighting India's exceptional outperformance.

The growth trajectory for India's non-banking finance companies is set to decelerate, with asset growth projected at 15-17% year-on-year (Y-o-Y) for FY25 and FY26, compared to 23% in FY24. Despite the slowdown, the projected growth remains above the decadal average of 14%, driven largely by core segments such as home and vehicle loans, according to CRISIL Ratings and Fitch.

(Source-ETBFSI)

Outlook & Way Forward

A steady growth trajectory shapes the global economic outlook for 2024, though regional patterns vary. The near-term global growth is expected to be a shade lower than the trend level. The services sector continues to drive global expansion, with notable resilience in India. Meanwhile, manufacturing is struggling in Europe, where structural weaknesses persist. Trade outlook also remains clouded in the next year. Inflationary pressures have been easing globally, though risks of synchronised price pressures linger due to potential geopolitical disruptions, such as tensions in the Middle East and the ongoing Russia-Ukraine conflict. Central banks have adopted more accommodative monetary policies. However, the pace of rate cuts varies across regions depending on the growth imperatives and the pace of disinflation, creating potential divergences in economic recovery. On the domestic front, rebounding rural demand augurs well for consumption. Investment activity is expected to pick up, supported by higher public capex and improving business expectations. Capacity utilisation in manufacturing remains above the long-term average, and private sector order books have shown steady growth, alongside a rise in investment intentions. However, these gains could be tempered by the global excess capacities in sectors such as steel, leading to aggressive trade policies in search of demand.

- Good Rabi production is likely to contain food prices in the first half of FY26. Adverse weather events and rise in international agricultural commodity prices,

however, pose risks to food inflation. Global energy and commodity prices have softened in the recent past, making the core inflation outlook benign. However, risks remain on account of significant global political and economic uncertainties. In brief, there are many upsides to domestic investment, output growth and disinflation in FY26. There are equally strong, prominently extraneous, downsides too. On balance of these considerations, we expect that the growth in FY26 would be between 6.3 and 6.8 per cent. Navigating global headwinds will require strategic and prudent policy management and reinforcing the domestic fundamentals.

(Source-PIB Retail Inflation)

INDUSTRY OVERVIEW: STRUCTURE AND DEVELOPMENT

Financial institutions play a pivotal role in shaping a country's economic growth trajectory by facilitating savings, investments, and credit for economic activities. The prevailing monetary policies influence the interplay between financial intermediation and economic growth.

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.

The loan growth of Indian Non-Banking Financial Companies (NBFCs) will moderate to 17 per cent in FY25, down from 21 per cent in FY24, as stated in a report. It was noted that this moderation is attributed to weaker credit demand due to softer macroeconomic conditions.

The reduced lending to unsecured and microfinance loans (MFI), and a cyclical slowdown in segments such as automobiles, has contributed to this moderation.

It is also noted that Asset Under Management (AUM) growth for NBFCs is expected to slow to 20 per cent in FY25, compared to 24 per cent in FY24. However, HFCs may see improved AUM growth, rising to 12-13 per cent in FY26 from 11 per cent in FY24.

The report anticipated that economic activity would improve in FY26, supporting the stabilization of growth across the sector. Over the FY25-27 period, the coverage AUM (excluding IIFL) is projected to grow at a



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compound annual growth rate (CAGR) of 19 per cent, slightly higher than the 18 per cent expected in FY25. The growth in loans for Non-Banking Financial Companies (NBFCs) and Housing Finance Companies (HFCs) has slowed to 20 per cent as of September 2024, compared to 22 per cent in March 2024.

The report highlighted that the slowdown has been most pronounced in unsecured personal loans, consumer financing, and MFI loans, while other segments have experienced relatively modest deceleration in growth during the first half of FY25.

Incremental growth trends in 2025 are likely to vary by segment. While growth in unsecured loans and MFI loans is expected to remain subdued during the first half of the calendar year, the report added that segments like auto loans and others are likely to stabilize and potentially pick up if macroeconomic conditions improve as anticipated.

(Source- Economic Times)

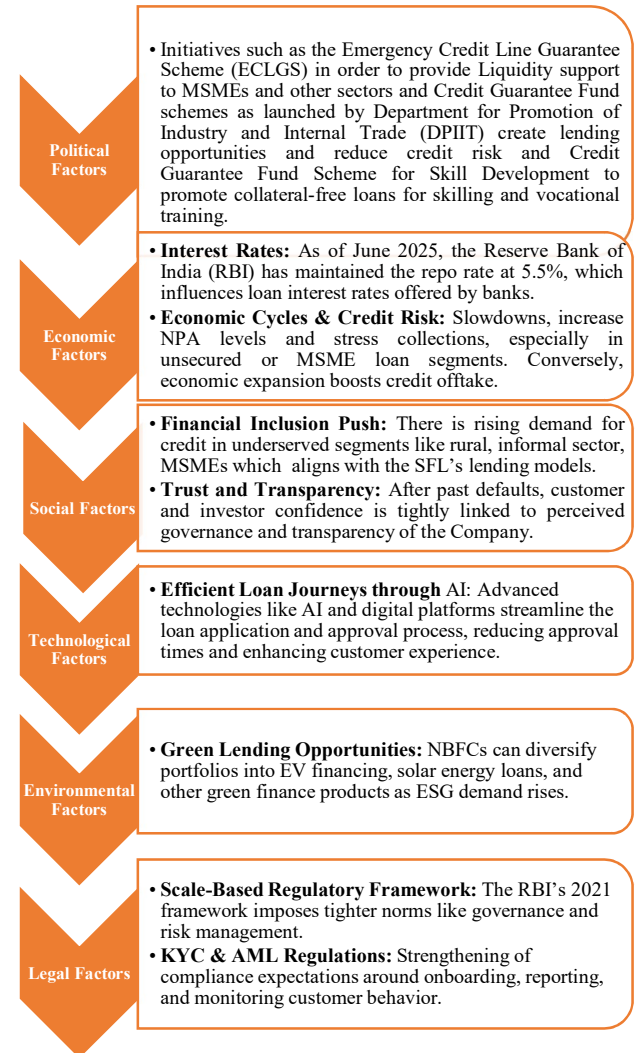
The Micro, Small and Medium Enterprises (MSME) sector has emerged as a highly vibrant and dynamic sector of the Indian economy contributing around 30% of India's GDP, over 45% of India's exports. In the fiscal year ending September 2024, the sector added 11 million jobs bringing total employment to about 121 million from 110 million in the previous fiscal. It is projected that the MSME sector will grow to USD 1 trillion by 2028 providing immense and diverse opportunities across industries and supply chain systems.

In FY 2024-25, the MSME sector recorded a robust growth rate of around 13%, underscoring its expanding role in the economy and its increasing contribution to exports and manufacturing output. The government's sustained focus on initiatives such as the Credit Guarantee Fund Scheme, Digital MSME *platforms*, and *improved access to finance has been instrumental in driving robust growth in the MSME sector, enabling small businesses to scale up and innovate. The key programs launched during the year including the Yashasvini Initiative, MSME-TEAM, and ZED 2.0 schemes have further empowered MSMEs by promoting women entrepreneurship, accelerating digital adoption, and enhancing quality standards. Collectively, these initiatives play a crucial role in fostering inclusive growth, expanding market access, and strengthening the competitiveness of the sector.*

Source: MSME Annual Report 2024-25, MSME Pulse by TransUnion CIBIL and Daily Pioneer

PESTEL ANALYSIS

The Indian financial sector operates within a complex web of factors influencing its growth and stability. The breakdown of these key influences can be done by a PESTEL Analysis.



COMPANY OVERVIEW

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. Registered as a Non-Banking Financial Company the company is engaged in the business of loan to entrepreneurs, MSMEs and individual businesses.



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SFL has adopted a unique credit underwriting and assessment model to understand the income source and derive eligibility of the potential customers.

OUR OFFERINGS

Small Ticket Business Loan

Ticket size: Rs. 1.5 lakhs to Rs. 3.5 lakhs

Tenor: upto 60 months

Large Ticket Business Loan

Ticket size: upto Rs. 500 lakhs

Tenor: upto 60 months

GEOGRAPHIC PRESENCE

SFL had 47 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.

OWNERSHIP & STRATEGIC FOCUS

The primary objective of SFL is to provide financing solutions to the SME, MSME, and self-employed segments. 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.

OUR STRENGTHS

- Secured lending against primary collateral
- Well tested & credit stabilized customer with high credit score history
- Use of social scoring to defined entry Level Filter
- Cash flow analysis based on sales & credit personal discussion in the absence of significant banking & income documents
- Centralized credit system supported by automated decisioning. Cash flow assessment based on household consumptions -Score Card Matrix
- 3-fold control on profile checks (Sales PD, Credit Video PD, pre-sighting) before disbursement
- Post disbursement sample field investigation checks by external vendors

- Approved Industry segments primarily centered on Essentials and customized offering grids according to industry segments
- E-Nach and E-Agreement features available to support faster disbursement.

FINANCIAL AND OPERATIONAL OVERVIEW

- In FY 2024-25, the Company's loan portfolio witnessed healthy growth, supported by continued geographic expansion, while maintaining stable net profit margins.
- Strategic investments in technology and strengthened credit assessment frameworks have significantly improved operational efficiency and enhanced the overall customer experience.
- The disbursements during the year stood at Rs. 34,789.53 lakhs, reflecting a robust year-on-year growth of 58.6%.
- The Company's AUM grew by 9.3% YoY to reach Rs. 54,767.55 lakhs. Notably, the retail SME segment demonstrated strong performance, with AUM increasing by 58.2% YoY to Rs. 51,631.84 lakhs. The Company continues to prioritize growth in its retail portfolio.
- The GNPA & NNPA as of Mar'25 stood at 4.84% & 2.86% reflecting robust portfolio quality
- The Company maintains a strong and diversified funding base with 21 active lenders, including banks, impact funds, and financial institutions; added 6 new lenders during the period under review.
- The CRAR stood at a healthy 37.6% as of Mar'25; indicating a strong capital position.
- Credit Rating of A- (Stable) from ICRA.

(In Rs. Lakhs)			
Particulars	March 31, 2025	March 31, 2024	
Revenue from Operations	12,470.80	11,901.04	
Other Income	190.91	239.47	
Total revenue	12,661.71	12,140.51	
Expenses			
Employee Benefit expenses	4,717.02	5,755.34	
Impairment on financial instruments	1,328.66	358.23	
Finance cost	4,007.32	2,643.63	



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Depreciation and amortization expenses	187.89	156.44
Other expenses	1,362.52	2,523.35
Total expenses	11,603.41	11,436.99
Profit before Tax	1,058.30	703.52
Less: Tax Expenses	313.02	188.75
Profit after Tax	745.28	514.77
Add: Other comprehensive income	0.41	(3.24)
Total comprehensive income	745.69	511.53
Earnings per share		
Basic	0.47	0.36
Diluted	0.47	0.36

During the year under review, the Company reported a profit after tax of Rs. 745.28 lakhs, compared to Rs. 514.77 lakhs for the previous year, resulting in an increase of 44.78%. This increase can be attributed to a 4.29% increase in total revenue, which rose from Rs. 12,140.51 lakhs to Rs. 12,661.71 lakhs, coupled with a 1.46% increase in total expenses, which grew from Rs. 11,436.99 lakhs to Rs. 11,603.41 lakhs.

FUNDING PROFILE

SFL continues to strengthen its funding framework through well-calibrated diversification across instruments and lender categories enhancing stability. On the product side, Term Loans remained the backbone of the funding mix at 52%, NCDs at 21% and PTC at 27%. On the lender side, share of Domestic Institutions stood at 73%, Banks at 6% and Others at 21%, signalling access to a broader lender base.

STRONG RISK MANAGEMENT

Risk Management is a pivotal element of SFL. Acknowledging risks is an inherent component of the business landscape, therefore, the Company focuses on effective risk mitigation. SFL follows a comprehensive, enterprise-wide risk management framework, that is adept at identifying and analysing risks promptly and providing proactive measures to manage potential impacts effectively.

The Company is governed by the Board and supported by a dedicated Risk Management Committee, seeking to balance risk and return optimally, fostering sustainable value creation for stakeholders.

Operational Risk

Operational risks are mitigated through robust internal control systems and continuous procedural monitoring to ensure process integrity throughout the organization. Clear segregation of duties is maintained, supported by stringent access controls, authorization protocols, and reconciliation mechanisms. The digitization of credit operations has significantly reduced dependency on manual processes, thereby minimizing errors and enhancing efficiency. Furthermore, proactive measures are in place to detect and prevent organizational frauds, while dedicated oversight mechanisms address collection slippage to safeguard financial stability and maintain portfolio quality.

Liquidity Risk

The Company adheres to a robust Liquidity Risk Management framework to ensure the timely availability of funds at optimal costs for meeting financial obligations and supporting business growth. Liquidity risks are actively monitored by the Asset and Liability Management Committee (ALCO), which utilizes a dynamic Asset Liability Management (ALM) framework. This framework enables efficient management of maturity mismatches between financial assets and liabilities, ensuring a stable and well-balanced liquidity position under varying market conditions.

Credit Risk

The Company has established a comprehensive credit risk management framework, underpinned by well-defined policies, procedures, and advanced analytics to strengthen credit decision-making. By leveraging machine learning tools for real-time data analysis, the Company effectively evaluates borrowers' creditworthiness with greater precision and speed. An independent internal audit team ensures strict adherence to regulatory and internal compliance standards. Additionally, robust stress testing mechanisms perform sensitivity analyses to identify and monitor potentially vulnerable accounts, enabling proactive risk mitigation.

Interest Rate Risk

Interest rate risk is managed through a strategic balance of asset-liability durations and the adoption of diversified funding sources. This approach optimizes the Company's borrowing profile, reduces interest



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costs, and enhances the stability of funding under varying rate environments.

Regulatory Risk

The Company maintains proactive regulatory compliance by continuously monitoring changes in the legal and regulatory environment. Internal systems and operational practices are promptly updated to align with new directives, ensuring adherence while preserving business continuity and integrity.

IT and Data Risk

IT and data risks are overseen by the IT Strategy Committee, which ensures alignment between technology initiatives and business objectives. The Company's risk mitigation strategy addresses cybersecurity threats, enforces data protection protocols, and ensures continuous upgrades to IT infrastructure in line with regulatory and industry standards.

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, Satin Leave Bank 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. 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, 2025, the Company employed total no. of 1,022 individuals, including 31 women employees.

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 Maker Checker system in all departments. The Statutory Auditors also review and comment on the internal financial controls in its report.

CAUTIONARY STATEMENT

This document contains forward-looking statements and information that are based upon the Company's expectations and various assumptions at the time of writing. These statements inherently involve risks and uncertainties. If any of these risks or uncertainties materialise, or should the underlying assumptions prove incorrect, the actual outcomes may significantly differ from those projected. The Company expressly disclaims any obligation to update or revise any forward-looking statements in this document, should the future developments deviate from those initially anticipated.

Rajeev Bhatia & Associates

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To,

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

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

We, Rajeev Bhatia & Associates, have audited the financial statements of Satin Finserv Limited (the "Company") for the period ended March 31, 2025 and have issued our report dated April 25, 2025.

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. The company is entitled to continue to hold such CoR in terms of its Principal Business Criteria (Financial asset/income pattern) as on March 31, 2025.
3. The company is meeting the required net owned fund requirement as laid down in Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 and amendments 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, 2024.
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, 2025.
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 Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023.



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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 Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 is not applicable to the Company for the financial year ended March 31, 2025.

(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 25, 2025

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



Rajeev Bhatia
Partner
M. No. 089018

UDIN - 25089d18BMOYYQ3385

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Independent Auditors' Report

To the Members of Satin Finserv Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Satin Finserv Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2025, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year ended on that date and notes to the financial statements, including a summary of the material accounting policies and other explanatory information (hereinafter referred to as the "Financial Statements").

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, 2025, 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 ("SAs") 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 made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's management and the Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility and Sustainability Report, Corporate Governance and Shareholder's Information but does not include the financial statements and our Auditors' Report thereon.

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



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

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

The Company's 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 SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment 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.



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

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

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 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, to the extent applicable.

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.



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

(c) The Balance Sheet, the Statement of Profit and Loss including other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

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

(e) On the basis of the written representations received from the directors as on March 31, 2025 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to the Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (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, 2025;
- (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, 2025;
- (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, 2025;
- (iv) a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) 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 received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing



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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, 2025, which displays the dates of creation and authorisation of the transaction keeping the system date as a base 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 and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

For Rajeev Bhatia & Associates

Chartered Accountants

Firm's Registration No.: 021776N

Rajeev Bhatia

Partner

Membership No.: 089018

UDIN - 25089018BMOYYP4232



Place:

Date: April 25, 2025

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, 2025)

(i) Property, Plant and Equipment, Right-of-use assets and Intangible Assets

- a) According to the information and explanations given to us and on the basis of our examination of the records, 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) According to the information and explanations given to us and on the basis of our examination of the records, 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 as on March 31, 2025 and during the year. Thus, paragraph 3(i) (c) of the Order is not applicable to the Company.
- d) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not revalued any of its Property, Plant & Equipment (including right-of-use assets) and intangible assets during the year. Thus, paragraph 3(i) (d) of the Order is not applicable to the Company.
- e) According to the information and explanations given to us and on the basis of our examination of the records, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2025 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) According to the information and explanation given to us and based on our examination of records, the company does not have a working capital limit in excess of five crore rupees, sanctioned from any bank or financial institution on the basis of security of current assets during the year and as on March 31, 2025. Hence, the reporting under clause 3(ii)(b) of the Order is not applicable.



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(iii) Loans granted by company

- a) The Company is 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) According to the information and explanation given to us and based on our examination of records, we are of the 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 have generally been regular as per stipulation. Since the Company is an NBFC, and considering the significant volume of transactions with number of borrowers, furnishing the number of cases of default is practically not feasible.
- 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
1929*	7,51,72,712.00	3,84,16,192.00	11,35,88,904.00	NIL

*excluding restructured cases

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

- e) The Company is 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) According to the information and explanation given to us and based on our examination of records, 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

According to the information and explanations given to us, during the year the Company has neither accepted any deposits from the public nor any deposits are outstanding during the year. There are no



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deemed deposits under the provisions of the Act and rules thereunder. Accordingly, the provisions of clause 3 (v) of the Order are not applicable to the Company.

(vi) Maintenance of Cost records

In our opinion and according to the information and explanations given to us, the requirement of maintenance of cost records pursuant to Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government in terms of sub-section (1) of section 148 of the Act are not applicable to the company. Hence, reporting under clause 3(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 generally 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, 2025 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

According to the information and explanation given to us, 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) According to the information and explanation given to us and based on our examination of records, the Company has not defaulted in repayment of loans or other borrowings or in the payment of Interest thereon to any lender and hence, reporting under clause 3(ix)(a) of the Order is not applicable
- b) Based on the information and explanations give to us, the Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- c) According to the information and explanation given to us and based on our examination of records, the Company has applied the term loans for the purpose for which the loans were obtained.



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- d) According to the information and explanation given to us and based on our examination of records, funds raised on short-term basis have, prima facie, not been used during the year 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) According to the information and explanation given to us and on the basis of our examination of the records, the Company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- b) According to the information and explanation given to us and based on our examination of records, 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, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.
- b) According to the information and explanation given to us and based on our examination of records, no report under sub-section (12) of section 143 of the 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 upto 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

The Company is not a Nidhi Company and hence reporting under clause 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 Indian Accounting Standards.



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(xiv) Internal Audit

- a) According to the information and explanation given to us and based on our examination of records, 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 directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) Registration with RBI

- a) The Company was required to be registered under Section 45IA of the Reserve Bank of India Act, 1934 (2 of 1934) as an NBFC and has been registered under section 45-IA of the Reserve Bank of India Act 1934 as a Non-Banking Financial Company (NBFC).
- b) According to the information and explanations given to us and based on our examination of the records, the Company has not conducted any Non-Banking Financial activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- c) According to the information and explanations given to us and based on our examination of the records, the Company is not a Core Investment Company (CIC) 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, there is not more than one CIC in the group (in accordance with the Core Investment Companies (Reserve Bank) Directions, 2016).

(xvii) Cash Losses

According to the information and explanation given to us and based on our examination of records, 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.



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(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

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

Rajeev Bhatia

Partner

Membership No.: 089018

UDIN - 25089d8BM0YYP4232



Place: Delhi

Date: April 25, 2025

Rajeev Bhatia & Associates
Chartered Accountants

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Annexure B to the Independent Auditors' Report of even date to the members of Satin Finserv Limited on the financial statements for the year ended March 31, 2025

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, 2025, 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:

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- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls over financial reporting and such internal financial controls were operating effectively as at March 31, 2025, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

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


Rajeev Bhatia
Partner

Membership No.: 089018

UDIN - 25089018BM0Y4P4232



Place: Delhi

Date: April 25, 2025

SATIN FINSERV LIMITED**Balance Sheet as at March 31, 2025**

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

Particulars	Notes	As at March 31, 2025	As at March 31, 2024
ASSETS			
Financial assets			
Cash and cash equivalents	4	6,005.84	5,485.86
Bank balances other than cash and cash equivalents	5	2,692.99	3,959.69
Trade receivables	6	17.72	337.64
Loans	7	50,819.95	32,192.22
Other financial assets	8	1,187.52	896.35
		60,724.02	42,871.76
Non Financial assets			
Current tax assets (net)	9	1,096.52	923.73
Deferred tax assets (net)	10	937.09	1,090.99
Property, Plant and Equipment	11	602.41	331.98
Intangible assets	12	5.38	2.36
Capital Works-in-Progress	12A	-	9.21
Other non financial assets	13	829.78	575.09
		3,471.18	2,933.36
TOTAL		64,195.20	45,805.12
LIABILITIES AND EQUITY			
Financial Liabilities			
Payables			
Trade payables	14		
total outstanding dues of MSMEs		43.17	13.78
total outstanding dues of creditors other than MSMEs		199.94	113.28
Debt securities	15	8,974.09	1,952.13
Borrowings (other than debt securities)	16	34,885.46	23,459.39
Other financial liabilities	17	301.14	243.12
		44,403.80	25,781.70
Non Financial Liabilities			
Provisions	18	660.61	1,636.22
Other non-financial liabilities	19	106.05	108.15
		766.66	1,744.37
EQUITY			
Equity share capital	20	15,755.79	15,755.79
Other equity	21	3,268.95	2,523.26
		19,024.74	18,279.05
TOTAL EQUITY AND LIABILITIES		64,195.20	45,805.12

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****Rajeev Bhatia**

Partner

M.No. 089018

**For and on behalf of the Board of Directors of
Satin Finserv Limited****Harvinder Pal Singh**

DIN: 00333754

Director

Place : Gurugram

Dhiraj Jha

Chief Executive Officer

Place : Gurugram

Arjun Bansal**Chief Financial Officer**

Place : Gurugram

Date: April 25, 2025

Sundeep Kumar Mehta

DIN: 00840544

Director

Place : Gurugram

Sangam Jaiswal

Mem No: A44284

Company Secretary & CCO

Place : Gurugram

Place: Gurugram

Date: April 25, 2025



SATIN FINSERV LIMITED
Statement of Profit and Loss for the period ended March 31, 2025

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

Particulars	Notes	For the period ended March 31, 2025	For the year ended March 31, 2024
Revenue from operations			
Interest income	22	10,245.59	6,547.50
Fees and commission income	23	2,129.04	5,289.31
Net gain on fair value changes	24	96.17	64.23
Total revenue from operations		12,470.80	11,901.04
Other income	25	190.91	239.47
Total income		12,661.71	12,140.51
Expenses:			
Finance costs	26	4,007.32	2,643.63
Impairment on financial instruments	27	1,328.66	358.23
Employee benefits expense	28	4,717.02	5,755.34
Depreciation and amortization expense	29	187.89	156.44
Other expenses	30	1,362.52	2,523.35
Total expenses		11,603.41	11,436.99
Profit / (loss) before exceptional items and tax		1,058.30	703.52
Exceptional items		-	-
Profit / (loss) before tax		1,058.30	703.52
Prior period items			
Tax expense			
Current tax		159.27	150.41
Mat credit utilization/ (entitlement) (net)		34.38	(150.40)
Deferred tax expense/ (credit)		119.37	184.21
Earlier years tax		-	4.53
Total tax expense		313.02	188.75
Net profit/(loss) for the period		745.28	514.77
Other comprehensive income			
Item that will not to be reclassified to profit or loss			
Re-measurement gains/(losses) on defined benefit plans		0.56	(4.49)
Income tax relating to these items		(0.16)	1.25
Other comprehensive income/(loss) for the period		0.41	(3.24)
Total comprehensive income / (loss) for the period		745.69	511.53
Earnings per share (basic and diluted) (in Rs.)			
Basic (Rs.)		0.47	0.36
Diluted (Rs.)		0.47	0.36

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

Rajeev Bhatia
Partner
M.No. 089018



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

Harvinder Pal Singh
DIN: 00333754
Director
Place: Gurugram

Shiraj Jha
Chief Executive Officer
Place: Gurugram

Arijun Bansal

Chief Financial Officer
Place: Gurugram
Date: April 25, 2025

Sandeep Kumar Mehta
DIN: 00840544
Director
Place: Gurugram

Sangam Jaiswal
Mem No: A44284
Company Secretary & CCO
Place: Gurugram



Place: Gurugram
Date: April 25, 2025

SATIN FINSERV LIMITED

Cash flow statement for the period ended March 31, 2025

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

Particulars	For the period ended March 31, 2025	For the period ended March 31, 2024
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before tax	1,058.30	703.52
Adjustments for:		
Provision for expected credit losses	665.10	92.15
Provision for employee benefits	25.93	(57.98)
Depreciation and amortisation expense	94.73	81.26
Depreciation of ROU assets	93.16	75.18
Loss/(gain) on disposal of tangible assets	(4.59)	(14.67)
Interest paid on borrowings	3,956.30	2,710.16
Operating Profit/(loss) Before Working Capital Changes	5,888.93	3,589.62
Changes in working capital:		
<i>Adjustments for (increase)/decrease in operating assets:</i>		
Trade receivables	319.92	(39.31)
Other bank balances	1,266.70	(798.25)
Financial Assets	(19,292.83)	(10,158.04)
Other financial assets	(291.17)	(206.27)
Other non financial assets	(254.68)	(235.05)
<i>Adjustments for (increase)/decrease in operating liabilities:</i>		
Trade payables	116.05	(162.97)
Other financial liabilities	58.02	(28.37)
Other non financial liabilities	(2.10)	0.48
Provisions	(1,000.98)	162.14
Movement in operating assets and liabilities	(19,081.07)	(11,465.64)
Cash generated from operations	(13,192.14)	(7,876.02)
Less: Income tax refund / (paid) (net)	(332.00)	(81.89)
Net cash flow/(used) in operating activities	(13,524.20)	(7,957.91)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(545.61)	(288.07)
Sale of property, plant and equipment	98.06	107.26
Investment in Pass through Certificates		
Net cash used in investing activities	(447.55)	(180.81)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Issue of equity share capital (net of issue expenses)		4,000.00
Repayment of borrowings	(15,644.68)	(15,340.66)
Proceeds from borrowings	33,960.12	23,747.62
Interest paid on borrowings	(3,956.30)	(2,710.16)
Payment of lease liabilities	132.39	49.31
Net cash flow from financing activities	14,491.73	9,746.11
Net (Decrease)/Increase in cash and cash equivalents	519.98	1,607.39
Cash and cash equivalents at the beginning of the year	5,485.86	3,878.47
Cash and cash equivalents at the end of the year	6,005.84	5,485.86
Reconciliation of cash and cash equivalents as per the cash flow statement	519.98	1,607.39

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

Rajeev Bhatia
Partner
M.No. 089018



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

Harvinder Pal Singh
DIN: 00333754
Director

Chief Executive Officer
Place : Gurugram

Arjun Bansal
Chief Financial Officer
Place : Gurugram
Date: April 25, 2025

Sundeep Kumar Mehta
DIN: 00840544
Director

Sangam Jaiswal
Mem No: A44284
Company Secretary & CCO
Place : Gurugram



Place: Gurugram
Date: April 25, 2025

SATIN FINSERV LIMITED
Statement of changes in equity for the period ended March 31, 2025
(All amounts in ₹ in lakhs, unless stated otherwise)

A Equity share capital

Current reporting period

Particulars	Balance as at April 1, 2024	Changes in Equity Share Capital due to prior period errors	Resumed Balance as at April 1, 2024	Change in equity share capital during the year	Balance as at March 31, 2025
Equity Share Capital	15,755.79	-	15,755.79	-	15,755.79

Previous reporting period

Particulars	Balance as at April 1, 2023	Changes in Equity Share Capital due to prior period errors	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

B Other equity

Particulars	Reserves and surplus					Total
	Statutory reserves	Securities premium	Share capital pending allotment*	Capital redemption reserve	Amalgamation reserve*	
Balance as at April 1, 2023	309.79	-	-	-	725.23	(1,318.99)
Profit/(Loss) for the year	-	-	-	-	514.77	514.77
Other comprehensive income (net of tax)	-	-	-	-	(3.24)	(3.24)
Issue of equity shares	-	2,295.70	-	-	-	2,295.70
Transfer to statutory reserves	102.95	-	-	-	-	(102.95)
Balance as at April 01, 2024	412.74	2,295.70	-	-	725.23	2,533.26
Profit/(Loss) for the year	-	-	-	-	745.28	745.28
Other comprehensive income (net of tax)	-	-	-	-	0.41	0.41
Issue of equity shares	-	-	-	-	-	-
Transfer to statutory reserves	149.05	-	-	-	(149.05)	-
Balance as at March 31, 2025	561.80	2,295.70	-	-	725.23	3,268.95

* Refer note 21

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

For Rajeev Bhatia & Associates.

Chartered Accountants

Firm's Registration No.: 021776N



Rajeev Bhatia
Partner
M.No. 059015

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

Harvinder Pal Singh
DIN: 00333753
Director

Sangam Jaiswal
M.No. A41284
Company Secretary & CCO

Place : Gurugram

Arjun Bansal

Chief Financial Officer
Place : Gurugram

Date: April 25, 2025



Sandeep Kumar Mehta
DIN: 00840544
Director

Sangam Jaiswal
M.No. A41284
Company Secretary & CCO

Place : Gurugram

Place: Gurugram
Date: April 25, 2025

Satin Finserv Limited

Summary of material accounting policies and other explanatory information for the period ended March 31, 2025

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, 2025 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, 2025 were authorized and approved for issue by the Board of Directors on April 25, 2025.

(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, 2025

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, 2025

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.

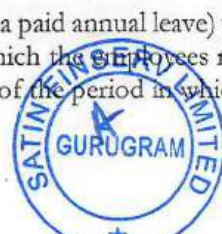
Deferred tax is recognised in respect of temporary differences between carrying amount of assets and liabilities for financial reporting purposes and corresponding amount used for taxation purposes. Deferred tax assets on unrealised tax loss are recognised to the extent that it is probable that the underlying 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, 2025

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.



Satin Finserv Limited

Summary of material accounting policies and other explanatory information for the period ended March 31, 2025

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



Satin Finserv Limited

Summary of material accounting policies and other explanatory information for the period ended March 31, 2025

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



Satin Finserv Limited

Summary of material accounting policies and other explanatory information for the period ended March 31, 2025

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.



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



Satin Finserv Limited

Summary of material accounting policies and other explanatory information for the period ended March 31, 2025

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.



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, 2025

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

Note 4: Cash and cash equivalents

Particulars	As at March 31, 2025	As at March 31, 2024
Balance with banks in current accounts	2,407.85	1,241.69
Cash in hand	352.24	600.78
Deposits with original maturity of less than 3 months	3,245.75	3,643.39
Total of cash and cash equivalents	6,005.84	5,485.86

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

Note 5: Bank balances other than cash and cash equivalents

Particulars	As at March 31, 2025	As at March 31, 2024
Term deposits for remaining maturity of 3 months or less	-	-
Term deposits with remaining maturity more than 3 months but less than 12 months	2.01	-
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	2,690.98	3,959.69
Total	2,692.99	3,959.69

Note 6: Trade receivables (at amortised cost)

Particulars	As at March 31, 2025	As at March 31, 2024
Trade Receivables		
Receivables considered good - unsecured*	17.72	337.64
Less: Provision for impairment on trade receivables	-	-
	17.72	337.64
(II) Other Receivables		
Other Receivables	-	-
Less: Provision for Impairment on other receivables	-	-
	-	-
Total	17.72	337.64

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

Note 7: Loan portfolio (at amortised cost)

Particulars	As at March 31, 2025	As at March 31, 2024
Portfolio loans		
Secured	49,153.46	29,027.40
Unsecured	3,000.43	3,833.66
Less: Impairment loss allowance	(1,333.94)	(668.84)
	50,819.95	32,192.22
Total	50,819.95	32,192.22
(i) Secured by property	48,153.05	28,777.38
(ii) Secured by book debts	1,000.41	250.02
(iii) Unsecured	3,000.43	3,833.66
Total - Gross	52,153.89	32,861.06
Less: Impairment loss allowance	(1,333.94)	(668.84)
Total - Net	50,819.95	32,192.22
Loans in India		
(i) Public Sector	-	-
(ii) Others	52,153.89	32,861.06
Total - Gross	52,153.89	32,861.06
Less: Impairment loss allowance	(1,333.94)	(668.84)
Total - Net	50,819.95	32,192.22
The above amount includes the interest accrued and exclude unamortised loan processing fees, as follows:		
Particulars		
Interest accrued	943.27	567.88
Unamortised loan processing fee	839.28	512.01

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, 2025

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

Note 8: Other financial assets (at amortised cost)

Particulars	As at March 31, 2025	As at March 31, 2024
Security deposits (unsecured, considered good)	28.15	24.53
Staff advance and other recoverable	9.86	35.96
Other recoverable	1,147.93	714.82
Unbilled revenue	1.58	121.04
	1,187.52	896.35

Note 9: Current tax assets (net)

Particulars	As at March 31, 2025	As at March 31, 2024
Advance income-tax and TDS receivable	1,096.52	923.73
	1,096.52	923.73

Note 10: Deferred tax assets (net)

Particulars	As at March 31, 2025	As at March 31, 2024
Tax effect of items constituting deferred tax assets:		
(a) Provision for Employee benefits	41.19	33.98
(b) Depreciation and amortisation	38.56	33.74
(c) Carried Forward Losses	-	53.41
(d) Impact of IndAs 116	6.98	3.00
(f) Allowance for expected credit loss	513.69	607.29
(g) Minimum alternate tax credit entitlement	347.15	372.85
(h) Measurement of financial assets and financial liabilities at amortised cost	0.59	0.00
	948.16	1,104.27
Tax effect of items constituting deferred tax liabilities:		
(i) Provision for 36(1)(viii)	11.07	13.28
	11.07	13.28
Deferred tax assets/(liabilities) (net)	937.09	1,090.99

Notes:
(i) Movement in deferred tax assets/(liabilities) for period ended March 31, 2025

Particulars	As at March 31, 2024	Recognised in other comprehensive income	Recognised in statement of profit and loss	As at March 31, 2025
Tax effect of items constituting deferred tax assets:				
(a) Provision for Employee benefits	33.98	-	7.21	41.19
(b) Depreciation and amortisation	33.74	-	4.82	38.56
(c) Carried Forward Losses	53.41	-	(53.41)	-
(d) Impact of IndAs 116	3.00	-	3.98	6.98
(e) Provision for first loss default guarantee	607.29	-	(93.60)	513.69
(f) Minimum alternate tax credit entitlement	372.85	-	(25.70)	347.15
(g) Measurement of financial assets and financial liabilities at amortised cost	0.00	-	0.58	0.59
	1,104.27	-	(156.12)	948.16
Tax effect of items constituting deferred tax liabilities:				
(h) Provision for 36(1)(viii)	13.28	-	(2.21)	11.07
	13.28	-	(2.21)	11.07
Net deferred tax asset	1,090.99	-	(153.91)	937.09

(ii) Movement in deferred tax assets/(liabilities) for year 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
	1,129.46	1.25	(26.42)	1,104.27
Tax effect of items constituting deferred tax liabilities:				
(h) 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



SATIN FINSERV LIMITED
Notes to the financial statements for the period ended March 31, 2025

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

11 Property, plant and equipment

Gross Block	Computer equipment	Office Equipment	Furniture & Fixtures	Vehicle	Right of use asset	Total
Balance as at March 31, 2023	372.48	79.50	121.55	27.52	458.03	1,059.08
Aquired through business						
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
Additions	38.77	71.07	139.61	23.50	276.16	549.11
Disposals	(88.72)	(11.53)	(21.23)	(20.49)	(386.35)	(528.31)
Balance as at March 31, 2025	272.55	132.93	229.83	23.50	423.25	1,082.06
Accumulated depreciation						
Balance as at March 31, 2023	314.53	60.96	70.74	9.91	303.82	759.97
Depreciation charge for the year	46.55	11.54	17.00	3.08	75.18	153.34
Adjustment on account of disposals	(81.17)	(18.68)	(23.03)	(10.22)	(50.93)	(184.04)
Balance as at March 31, 2024	279.91	53.82	64.71	2.77	328.07	729.28
Depreciation charge for the period	28.38	22.44	29.03	12.17	93.16	185.19
Adjustment on account of disposals	(82.24)	(9.76)	(15.90)	(8.30)	(318.63)	(434.83)
Balance as at March 31, 2025	226.05	66.50	77.84	6.64	102.60	479.65
Net block						
Balance as at March 31, 2024	42.59	19.57	46.74	17.72	205.37	331.98
Balance as at March 31, 2025	46.50	66.43	151.99	16.86	320.65	602.41

12 Intangible assets

Gross Block	Software*	Total
Balance as at March 31, 2023	30.32	30.32
Aquired through business combination		
Additions	0.76	0.76
Adjustments during the year	-	-
Balance as at March 31, 2024	31.08	31.08
Additions	5.72	5.72
Disposals	-	-
Balance as at March 31, 2025	36.80	36.80
Accumulated depreciation		
Balance as at March 31, 2023	25.62	25.62
Aquired through business combination		
Depreciation charge	3.10	3.10
Disposals	-	-
Balance as at March 31, 2024	28.72	28.72
Depreciation charge	2.70	2.70
Disposals	-	-
Balance as at March 31, 2025	31.42	31.42
Net block		
Balance as at March 31, 2024	2.36	2.36
Balance as at March 31, 2025	5.38	5.38

* Operating system for computers.

12A Capital Works-in-Progress

Particulars	CWIP	Total
Balance as at March 31, 2023	-	-
Addition	9.21	9.21
Disposals	-	-
Balance as at March 31, 2024	9.21	9.21
Addition	-	-
Disposals	(9.21)	(9.21)
Balance as at March 31, 2025	-	-



SATIN FINSERV LIMITED
Notes to the financial statements for the period ended March 31, 2025

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

Note 13: Other non-financial assets

Particulars	As at March 31, 2025	As at March 31, 2024
Advances recoverable in cash or in kind or for value to be received	66.16	79.25
Prepaid expenses	763.61	495.84
	829.77	575.09

Note 14: Trade payable

Particulars	As at March 31, 2025	As at March 31, 2024
Trade Payables		
(i) total outstanding dues of MSMEs	43.17	13.78
(ii) total outstanding dues of creditors other than MSMEs	199.94	113.28
	243.11	127.06
Other Payables		
(i) total outstanding dues of MSMEs	-	-
(ii) total outstanding dues of creditors other than MSMEs	-	-
	-	-
Total	243.11	127.06

Trade Payables ageing schedule as on 31st March, 2025

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	43.17	-	-	-
(ii) Others	193.15	1.72	1.67	3.41
(iii) Disputed dues – MSME	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-
(v) Unbilled dues	-	-	-	-
Total	236.31	1.72	1.67	3.41

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

#: There are no cases where no due date of payment is specified.

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

Note 15: Debt securities (at amortised cost)

Particulars		As at March 31, 2025	As at March 31, 2024
Non-convertible debentures		8,974.09	1,952.13
		8,974.09	1,952.13
Debt securities in India		8,974.09	1,952.13
Debt securities outside India		8,974.09	1,952.13
Unamortised Processing Fees		165.84	62.85
Accrued Interest		140.92	14.98

Particulars	Terms of Repayment	As at March 31, 2025	As at March 31, 2024
Non-convertible debentures (secured)			
2,000 (March 31, 2024: 2000), @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	2,006.94	1,952.13
2,500 (March 31, 2024: 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 June 28, 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 June 26, 2026	2,518.54	-
1,999 (March 31, 2024: Nil), @10.80%, 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 August 30, 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 30, 2026	1,982.63	-
2,500 (March 31, 2024: Nil), @10.80%, 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 September 20, 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 September 20, 2026	2,465.98	-



SATIN FINSERV LIMITED
Notes to the financial statements for the period ended March 31, 2025

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

Note 16: Borrowings (other than debt securities)

Particulars	As at March 31, 2025	As at March 31, 2024
Term loans from bank (At amortised Cost)		
Secured#	2,700.59	3,230.47
Unsecured	-	-
Term loans from financial institutions (At amortised Cost)		
Secured##	19,988.17	16,068.19
Securitization (PTC)	11,845.58	3,942.20
Loan from related parties (unsecured)	-	-
Lease liability	351.12	218.53
	34,885.46	23,459.39
Borrowings in India	34,885.46	23,459.39
Borrowings outside India	-	-
	34,885.46	23,459.39
# 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.		
Unamortised Processing Fees	277.18	187.37
Accrued Interest	188.70	117.68

Reconciliation of liabilities arising from financing activities

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

Particulars	Debt securities	Other Borrowings	Liability against leased assets	Total
March 31, 2023	553.09	16,332.63	169.22	17,054.94
Adoption of Ind AS 116	-	-	179.16	179.16
Cash flows:				
- Repayment	(500.00)	(14,840.66)	(91.84)	(15,432.50)
- Proceeds from overdraft facility	-	-	-	-
- Proceeds other than overdraft facility	2000.00	21,647.23	-	23,647.23
- Others	-38.61	67.60	-	28.99
Non cash:				
- Conversion of Optionally Convertible, Redeemable Preference Shares	-	-	-	-
- Foreign exchange	-	-	-	-
- Amortisation of upfront fees and others	-62.35	(62.06)	-	(124.41)
- Others	-	96.12	(38.02)	58.10
March 31, 2024	1,952.13	23,240.86	218.52	25,411.51
Adoption of Ind AS 116	-	-	276.16	276.16
Cash flows:				
- Repayment	-	(15,644.68)	(104.57)	(15,749.25)
- Proceeds from overdraft facility	-	-	-	-
- Proceeds other than overdraft facility	6,999.00	26,956.95	-	33,955.95
- Others	125.95	71.02	-	196.97
Non cash:				
- Conversion of Optionally Convertible, Redeemable Preference Shares	-	-	-	-
- Foreign exchange	-	-	-	-
- Amortisation of upfront fees and others	-102.99	(89.81)	-	(192.80)
- Others	-	-	(38.99)	(38.99)
March 31, 2025	8,974.09	34,534.34	351.12	43,859.55

Note 17: Other financial liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Interest accrued but not due on Long Term Borrowings	-	-
First loss default guarantee liability*	-	-
Other payable	17.36	27.34
Expenses payable	283.78	215.78
Total	301.14	243.12



SATIN FINSERV LIMITED

Notes to the financial statements for the period ended March 31, 2025

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

Note 18: Provisions

Particulars	As at March 31, 2025	As at March 31, 2024
Provision for compensated absences	99.78	99.82
Provision for gratuity	48.29	22.32
Provision for first loss default guarantee	512.54	1,514.08
Total	660.61	1,636.22

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

Note 19: Other non-financial liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Statutory dues payable	106.05	108.15
Total	106.05	108.15



SATIN FINSERV LIMITED
Notes to the financial statements for the period ended March 31, 2025

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

20 Equity share capital
Authorised equity share capital

15,80,00,000 (31 March 2024: 15,80,00,000) Equity shares of ₹10 each

Issued and subscribed

15,75,57,892 (31 March 2024: 15,75,57,892) Equity shares of ₹10 each

Paid up equity share capital

15,75,57,892 (31 March 2024: 15,75,57,892) Equity shares of ₹10 each

As at March 31, 2025	As at March 31, 2024
15,800.00	15,800.00
15,800.00	15,800.00
15,755.79	15,755.79
15,755.79	15,755.79
15,755.79	15,755.79
15,755.79	15,755.79

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.

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, 2025		March 31, 2024	
15,75,57,892	15,755.79	14,05,14,859	14,051.49
		1,70,43,033	1,704.30
15,75,57,892	15,755.79	15,75,57,892	15,755.79

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

	March 31, 2025			March 31, 2024		
	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%	15,75,57,892	100.00%	0.00%
	15,75,57,892	100.00%	0.00%	15,75,57,892	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, 2025		March 31, 2024	
No. of shares	% holding	No. of shares	% holding
15,75,57,892	100.00%	15,75,57,892	100.00%
15,75,57,892	100.00%	15,75,57,892	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.



SATIN FINSERV LIMITED

Notes to the financial statements for the period ended March 31, 2025

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

21 Other equity

	As at March 31, 2025	As at March 31, 2024
Retained earnings	(313.78)	(910.41)
Statutory reserves @	561.80	412.74
Amalgamation reserve	725.23	725.23
Securities Premium	2,295.70	2,295.70
Total Other Equity	3,268.95	2,523.26

@ 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, 2025

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

Note 22: Interest Income (measured at amortised cost)

Particulars	For the period ended March 31, 2025	For the year ended March 31, 2024
Interest income on portfolio loans	9,990.08	6,223.68
Interest income on deposits	255.51	323.82
	10,245.59	6,547.50

Note 23: Fees and commission income

Particulars	For the period ended March 31, 2025	For the year ended March 31, 2024
Income from BC operations and other support services	1,457.35	4,869.04
Documentation charges	415.77	255.24
Login Fee Income	255.92	165.03
	2,129.04	5,289.31

Note 24: Net gain on fair value changes

Particulars	For the period ended March 31, 2025	For the year ended March 31, 2024
Net gain/ (loss) on financial instruments at fair value through profit or loss		
- Mutual Funds	96.17	64.23
Total Net gain/(loss) on fair value changes	96.17	64.23
Fair Value Changes:		
-Realised	96.17	64.23
Total Net gain/(loss) on fair value changes	96.17	64.23

Note 25: Other Income

Particulars	For the period ended March 31, 2025	For the year ended March 31, 2024
Miscellaneous income	163.63	206.01
Interest income on security deposits	1.64	0.66
Net gain on derecognition of property, plant and equipment	4.59	14.67
Foreclosure charges received	21.05	18.13
	190.91	239.47

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

Particulars	For the period ended March 31, 2025	For the year ended March 31, 2024
Interest on borrowings		
Interest on borrowings other than debt securities	2,529.86	2,097.02
Interest on debt securities	736.58	35.61
Interest on borrowings from bank	387.14	343.75
Other interest expenses	306.88	138.37
Interest expense on lease liability	46.86	28.88
	4,007.32	2,643.63

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

Particulars	For the period ended March 31, 2025	For the year ended March 31, 2024
Allowance for expected credit loss	665.10	92.15
Portfolio loans written off	663.56	266.08
	1,328.66	358.23



SATIN FINSERV LIMITED
Notes to the financial statements for the period ended March 31, 2025

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

Note 28: Employee benefit expenses

Particulars	For the period ended March 31, 2025	For the year ended March 31, 2024
Salaries, wages and bonus	4,345.24	5,260.06
Contribution to provident and other funds	308.12	432.19
Staff welfare expenses	63.66	63.09
	4,717.02	5,755.34

Note 29: Depreciation and amortization expense

Particulars	For the period ended March 31, 2025	For the year ended March 31, 2024
Depreciation on property, plant and equipment	92.03	78.16
Amortisation on intangible assets	2.70	3.10
Amortisation on right of use assets	93.16	75.18
	187.89	156.44

Note 30: Other expenses

Particulars	For the period ended March 31, 2025	For the year ended March 31, 2024
Bank charges	37.77	59.80
Rent	127.28	197.46
Travelling and conveyance	319.36	269.40
Repair and maintenance	6.38	12.82
Printing and stationery	41.94	78.83
Communication cost	53.53	72.45
Insurance charges	23.91	29.18
Software & IT support expenses	108.07	117.97
Rates and taxes	11.99	34.55
Electricity charges	18.74	25.82
Auditor's remuneration*	29.70	32.20
Business promotion	0.28	6.70
Commission paid**	47.74	62.53
Loan Processing Charges	349.12	244.24
Legal and professional charges	158.53	61.32
Director sitting fees	7.63	5.34
Balance write off	30.62	65.62
Office expenses	169.89	157.29
Write off against first loss default guarantee	778.61	781.54
First loss default guarantee expenses	-1,001.55	166.63
Postage & courier	33.27	27.91
Miscellaneous expenses	9.71	13.75
	1,362.52	2,523.35

Note*: Auditors remuneration includes payments as follows:

(a) Statutory audit	10.00	9.00
(b) Tax audit	3.50	3.00
(c) Certification fee and other services	16.20	20.20
Total	29.70	32.20



SATIN FINSERV LIMITED
Notes to the financial statements for the period ended March 31, 2025

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

Note 16A: Terms of principal repayment of Debt Securities & Other Borrowings as at March 31, 2025

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	7.00	24	7.69	10	3.53	-	-	18.22
	9% to 12%	105	8,349.28	55	5,718.86	4	359.19	-	-	14,427.33
	12.01% to 15%	427	9,660.81	260	7,224.69	103	2,746.39	-	-	19,631.88
	Above 15%	-	-	-	-	-	-	-	-	-
Quarterly	Below 9.00%	-	-	-	-	-	-	-	-	-
	9% to 12%	-	-	-	-	-	-	-	-	-
	12.01% to 15%	4	363.64	2	181.74	-	-	-	-	545.38
Bullet	9% to 12%	1	2,000	3	6,999	-	-	-	-	8,999.00
	12.01% to 15%	-	-	-	-	-	-	-	-	-
	Above 15%	-	-	-	-	-	-	-	-	-
Total		561	20,380.74	344	20,131.98	117	3,109.10	-	-	43,621.82

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	2,448.12	11	808.52	-	-	6,070.06
	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	10,743.91	119	3,487.00	7	142.20	25,310.56



SATIN FINSERV LIMITED
Notes to the financial statements for the period ended March 31, 2025

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

Note 31: Earning per Share

	For the year ended March 31, 2025	For the year ended March 31, 2024
Net profit/(Loss) for the year	745.28	514.77
Weighted average number of equity shares for EPS	15,75,57,892	14,94,55,466
Par value per share (in RS.)	10	10
Basic Earnings per share (in RS.)	0.47	0.34
Nominal value of equity share (₹)	10.00	10.00
Weighted-average number of equity shares used to compute diluted earnings per share	15,75,57,892	14,94,55,466
Diluted Earnings per share (in RS.)	0.47	0.34

Note 32: Tax Expense

Current tax, (including taxes earlier years)	159.27	154.94
Minimum alternate tax credit entitlement	34.38	(150.40)
Deferred tax expense/(credit)	119.37	184.21
	313.02	188.75

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	1,058.30	703.52
At country's statutory income tax rate of 27.82%	294.42	195.72
(March 31, 2024: 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	-	-
(ii) Tax impact on items exempt under income tax	-	-
(iii) Impact of difference in tax rate on certain items	-	-
(iv) Preliminary expenses allowed	-	-
(v) Earlier year taxes	-	4.53
(vi) Others	18.60	(11.50)
	313.02	188.75

Note 33: Leases

The Company has taken various office premises under lease arrangements. Generally, the lease term varies from 11 months to 60 months and is renewable under mutually agreed terms between lessee and lessor and there is no exclusive right to the company. The company has considered leases having initial lease term of upto 12 months as short term leases as per para 6 of Ind AS 116 and 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, 2025 are as follows:

- 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, 2025	For the year ended March 31, 2024
Total number of leases	70	117
Number of leases considered as short term leases	36	81
No. of right-of use assets leased	34	36
Range of remaining term	Upto 54 months	Upto 57 months
Average remaining lease term	41 months	22 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	70	117

- 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, 2024	205.37
Addition	276.16
Depreciation	93.16
Deletion	67.72
Carrying amount as on March 31, 2025	320.66

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

Particulars	March 31, 2025	March 31, 2024
Current	75.59	57.50
Non-current	275.53	161.03
Total	351.12	218.53



4 At 31 March 2025 the Company do not have any committed leases which had not yet commenced.

5 The undiscounted maturity analysis of lease liabilities at March 31, 2025 is as follows:

Particulars	Lease payments	Finance charges	Net present values
Within 1 year	118.21	42.62	75.59
1-2 years	116.67	31.82	84.85
2-3 years	115.62	19.61	96.01
3-4 years	87.22	7.44	79.78
4-5 years	15.61	0.72	14.89
Total	453.33	102.21	351.12

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 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, 2025	March 31, 2024
Short term leases	127.28	197.46
Leases of low value assets	-	-
Variable lease payments	-	-
Total	127.28	197.46
Minimum lease obligations:		
- within one year	75.59	57.50
- Later than one year but not Later than five years	275.53	161.03
- Later than five years	-	-

7 The Company had total cash outflows for leases of Rs. 244.91 lakh in March 31, 2025 (Rs. 298.57 lakh in March 31, 2024).

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

Particulars	March 31, 2025	March 31, 2024
Depreciation expense of right-of-use assets	93.16	75.18
Interest expense on lease liabilities	46.86	28.88
Expense relating to short-term leases (included in other expenses)	127.28	197.46
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	267.30	301.52

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:

2025

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)	-	-	-



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)	-	-	-

Note 34: Contingent Liabilities not provided for

No contingent liabilities as on March 31, 2025 (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 March 31, 2025 (previous year Nil).

34.1 Estimates

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

34.2 Classification and measurement of financial assets and liabilities

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

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

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

- a) The effects of the retrospective application or retrospective restatement are not determinable;
b) The retrospective application or restatement requires assumptions about what management's intent would have been in that period;
The retrospective application or retrospective restatement requires significant estimates of amounts and it is impossible to distinguish objectively information about those estimates that existed at that time.

Note 35: Asset Under Management

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

The institutionwise Assets Under Management in books of company for business correspondence activity as on March 31, 2025 are as follows:

Name of Partner	March 31, 2025		March 31, 2024	
	AUM	FDR balance for FLDG	AUM	FDR balance for FLDG
Yes Bank Ltd.	-	-	-	520.88
RBL Bank Ltd.	12.02	8.86	12.02	8.06
Reliance Commercial Finance Ltd.	756.61	193.43	756.61	179.91
Federal Bank	-	145.39	2,907.77	245.61
IDFC First Bank Ltd.	2,367.48	1,309.32	3,954.14	1,292.93
Jana Small Finance Bank Ltd.	-	-	8,380.73	1,132.41
CSB Bank Ltd.*	-	-	1,452.16	83.02
	3,136.11	1,657.01	17,463.43	3,462.82

FDR balance includes accrued interest.

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

Particulars	As at	As at
	March 31, 2025	March 31, 2024
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	43.17	13.78
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
The amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-



SATIN FINSERV LIMITED
Notes to the financial statements for the period ended March 31, 2025

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

Note 37: Related party disclosures

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

a. List of related parties and disclosures:

Description of relationship	Name of related parties
Holding company	Satin Creditcare Network Limited

Enterprises over which key management personnel and relatives of such personnel exercise significant influence with whom transactions have been undertaken:

Satin Neo Dimensions Pvt. Ltd.

Fellow subsidiary companies

Satin Housing Finance Limited

Satin Technologies 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. Varun Shankardass
Mr. Sumit Mukherjee (till May 31, 2023)	Director & CEO	-
Mr. Dhiraj Jha (w.e.f. January 17, 2025)	CEO	-
Mr. Bhuvnesh Khanna (till March 5, 2025)	WTD & CEO	-
Mr. Arjun Bansal	Chief Financial Officer	-
Mr. Puneet Jolly (till December 19, 2023)	Company Secretary	-
Ms. Sangam Jaiswal (w.e.f. January 17, 2025)	Company Secretary	-
Mr. Gurvinder Singh (till September 11, 2024)	Company Secretary	-

Name of Directors	Designation
Mr. Sundeep Kumar Mehta	Independent Director
Ms. Jyoti Ahluwalia	Independent Director
Mr. Anil Kumar Kalra	Independent Director

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, 2025	For the period ended March 31, 2024
Mr. H P Singh	Personal Guarantee given	6,515.00	7,037.50
	Facilitation charges Income	12.00	12.00
	Technology sharing services expense	76.50	90.00
	Payment of rent for office space sharing	52.55	51.31
	Interest Paid	-	266.69
Satin Creditcare Network Limited	Inter corporate loan taken	-	2,700.00
	Loan Repaid	-	6,050.00
	Share based payments	1.37	-
	Income from business correspondents operations and support services	-	1,485.38
Satin Neo Dimensions Pvt. Ltd.	Interest income on loan	-	2.08
	Repayment received against loan	-	39.33
Mr. Sumit Mukherjee (till May 31, 2023)	Remuneration	-	17.60
Mr. Dhiraj Jha (w.e.f. January 17, 2025)	Remuneration	14.41	-
Mr. Bhuvnesh Khanna (till January 16, 2025)	Remuneration	155.57	32.39
Mr. Arjun Bansal	Remuneration	45.50	27.80
Mr. Puneet Jolly (till December 19, 2023)	Remuneration	-	12.74
Ms. Sangam Jaiswal (w.e.f. January 17, 2025)	Remuneration	4.36	-
Mr. Gurvinder Singh (till September 11, 2024)	Remuneration	8.51	3.28
Mr. Varun Shankardass (w.e.f. December 11, 2024)	Remuneration	12.26	-
Mr. Anil Kumar Kalra	Sitting Fee	3.10	1.90
Mr. Sundeep Kumar Mehta	Sitting Fee	2.80	2.20
Mrs. Jyoti Ahluwalia	Sitting Fee	1.10	0.80

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

Name of related party	Nature of transaction	As at March 31, 2025	As at March 31, 2024
Satin Creditcare Network Limited	Share based payments- Payable	1.37	-

Note:

1. Mr. H. P Singh, director of the company has given personal guarantee for term loan taken from Bank/FL. Outstanding as of March 31, 2025 is Rs.10,486.75 Lakh (Previous Year: 8,418.24 Lakh).

2. During the year, expenditure of Rs. 1.37 Lakh (Previous Year: Nil) has been charged to profit & loss account in relation to share based payment to holding company on account of ESOP granted to KMP under ESOP scheme formulated by the holding company.

d. Key management personnel remuneration includes the following expenses:

	For the year ended March 31, 2025	For the year ended March 31, 2024
Short-term employee benefits	247.60	93.81
Post-employment benefits	6.23	(3.59)
Other long term benefits	9.81	(7.30)
Total remuneration	263.64	82.92



SATIN FINSERV LIMITED**Notes to the financial statements for the period ended March 31, 2025**

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

Note 38: Employee Benefits

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

Defined contribution plans**Provident fund**

The Company has made ₹ 308.12 lakhs (March 31, 2024 ₹ 432.19 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, 2025	As at March 31, 2024
Present value of obligation	94.66	83.06
Fair value of plan assets	46.37	60.74
Net obligation recognised in balance sheet as provision	(48.29)	(22.32)

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

Particulars	As at March 31, 2025	As at March 31, 2024
Current service cost	34.73	27.49
Net interest cost / (income)	1.59	4.42
Interest cost on defined benefit obligation	-	-
Net impact on profit (before tax)	36.32	31.91
Actuarial (gain)/loss recognised during the year	0.56	4.49
Amount recognised in the statement of profit and loss and other comprehensive income	36.88	36.40



SATIN FINSERV LIMITED

Notes to the financial statements for the period ended March 31, 2025

(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, 2025	As at March 31, 2024
Present value of defined benefit obligation as at the beginning of year	83.06	118.00
Current service cost	34.73	27.49
Interest cost	5.91	8.72
Past service cost including curtailment gains/losses	-	-
Benefits paid	(31.76)	(70.54)
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	10.60	2.73
Actuarial (gain)/loss on arising from experience adjustment	(7.88)	(7.15)
Present value of defined benefit obligation as at the end of the year	94.66	83.06

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

Particulars	As at March 31, 2025	As at March 31, 2024
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, 2025	As at March 31, 2024
Fair value of plan assets at beginning of year	64.83	58.14
Actual return on plan assets	3.52	2.69
Employer's contribution	9.99	59.00
Benefits paid	(31.98)	(59.09)
Actuarial loss/(gain) on plan assets	-	-
Fair value of plan assets at the end of the year	46.37	60.74

(vi) Actuarial assumptions

Particulars	As at March 31, 2025	As at March 31, 2024
Discounting rate	6.94%	7.12%
Future salary increase	6.00%	4.00%
Retirement age (years)	60.00	60.00
Withdrawal rate		
Up to 30 years	40.00%	40.00%
From 31 to 44 years	20.00%	20.00%
Above 44 years	10.00%	10.00%
Weighted average duration	3.92	3.63

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, 2025

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

(vii) Sensitivity analysis for gratuity liability

Particulars	As at March 31, 2025	As at March 31, 2024
Impact of the change in discount rate		
Present value of obligation at the end of the year	94.66	83.06
- Impact due to increase of 0.50 %	(2.89)	(2.15)
- Impact due to decrease of 0.50 %	3.05	2.26
Impact of the change in salary increase		
Present value of obligation at the end of the year	94.66	83.06
- Impact due to increase of 0.50 %	3.07	2.32
- Impact due to decrease of 0.50 %	(2.93)	(2.22)

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, 2025	As at March 31, 2024
0 to 1 year	6.70	10.09
1 to 2 year	8.57	8.96
2 to 3 year	8.66	8.33
3 to 4 year	9.07	7.81
4 to 5 year	7.79	6.60
5 to 6 year	8.52	5.23
6 year onwards	45.35	36.04

B Compensated absences (non-funded)
(i) Amount recognised in the balance sheet is as under:

Particulars	As at March 31, 2025	As at March 31, 2024
Present value of obligation	99.78	99.82
Fair value of plan assets	-	-
Net obligation recognised in balance sheet as provision	99.78	99.82

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

Particulars	As at March 31, 2025	As at March 31, 2024
Total service cost	54.77	56.21
Net interest cost on defined benefit obligation	7.11	8.89
Net actuarial (gain)/loss recognised during the year	(3.41)	(2.93)
Amount recognised in the statement of profit and loss	58.47	62.17



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SATIN FINSERV LIMITED
Notes to the financial statements for the period ended March 31, 2025

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

Note 39: Financial instruments
A Financial assets and liabilities

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

Particulars	Notes to schedule	As at March 31, 2025	As at March 31, 2024
Financial assets measured at amortised cost			
Cash and Cash equivalents	4	6,005.84	5,485.86
Bank balances other than cash and cash equivalents	5	2,692.99	3,959.69
Receivables	6	17.72	337.64
Loans	7	50,819.95	32,192.22
Security deposits	8	28.15	24.53
Other financial assets	8	1,159.37	871.82
Total		60,724.02	42,871.76
Financial liabilities measured at amortised cost			
Payables	14	243.11	127.06
Debt securities	15	8,974.09	1,952.13
Borrowings (other than debt securities)	16	34,534.34	23,240.86
Other financial liabilities	17	301.14	243.12
Total		44,052.68	25,563.17

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 at year end.

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, 2025		As at March 31, 2024	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Cash and Cash equivalents	6,005.84	6,005.84	5,485.86	5,485.86
Bank balances other than cash and cash equivalents	2,692.99	2,692.99	3,959.69	3,959.69
Receivables	17.72	17.72	337.64	337.64
Loans	50,819.95	53,070.35	32,192.22	33,781.65
Security deposits	28.15	28.15	24.53	24.53
Other financial assets	1,159.37	1,159.37	871.82	871.82
Total	60,724.02	62,974.42	42,871.76	44,461.19
Financial liabilities				
Payables	243.11	243.11	127.06	127.06
Debt securities	8,974.09	8,974.09	1,952.13	1,952.13
Borrowings (other than debt securities)	34,534.34	34,534.34	23,240.86	23,240.86
Other financial liabilities	301.14	301.14	243.12	243.12
Total	44,052.68	44,052.68	25,563.17	25,563.17

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, 2025 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, 2025 was assessed to be insignificant.



SATIN FINSERV LIMITED
Notes to the financial statements for the period ended March 31, 2025

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

Note 40: Financial risk management
i) Risk Management

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

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

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

A) Credit risk

Credit risk is the risk that a counterparty fails to discharge its obligation to the Company. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, loan 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 March 31, 2025	As at March 31, 2024
(i) Low credit risk on financial reporting date		
Bank Balance in current accounts & in Fixed Deposits	5,653.60	4,885.08
Bank balances other than above	2,692.99	3,959.69
Security deposits	28.15	24.53
Other financial assets	1,159.37	871.82
Receivables	17.72	337.64
Loans	47,818.99	30,769.54
(ii) Moderate credit risk	1,615.67	711.87
(iii) High credit risk	2,719.23	1,379.65

* 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, 2025**

(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, 2025	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	5,653.60	0%	-	5,653.60
Bank balances other than above	2,692.99	0%	-	2,692.99
Security deposits	28.15	0%	-	28.15
Other financial assets	1,159.37	0%	-	1,159.37
Receivables	17.72	0%	-	17.72

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
Receivables	337.64	0%	-	337.64

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 recognize loss allowance measured on lifetime expected credit loss as on each reporting date.

iii) Expected credit loss for loans

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

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

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

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

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



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Notes to the financial statements for the period ended March 31, 2025

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As a part of a qualitative assessment of whether a customer is in default, the Company also considers a variety of instances that may indicate 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, BAD 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, 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)	(92.71)
Write - offs	-	-	(266.08)
Gross carrying amount as at March 31, 2024	30,769.54	711.87	1,379.65
Assets originated or purchased	31,799.40	259.70	102.00
Net transfer between stages			
Transfer to stage 1	40.63	(15.68)	(24.94)
Transfer to stage 2	(1,599.19)	1,619.95	(20.76)
Transfer to stage 3	(1,707.75)	(458.72)	2,166.47
Assets derecognised or repaid (excluding write offs)	(1,1483.64)	(501.44)	(219.63)
Write - offs	-	-	(663.56)
Gross carrying amount as at March 31, 2025	47,818.99	1,615.67	2,719.23

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, 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
Increase of provision due to assets originated or purchased during the period	34.87	42.93	36.74
Net transfer between stages			
Transfer to stage 1	11.84	(2.77)	(9.08)
Transfer to stage 2	(2.14)	9.70	(7.55)
Transfer to stage 3	(2.29)	(80.94)	83.23
Impact of ECL on exposures transferred between stages during the year	8.36	203.16	691.76
Assets derecognised or collected	(6.01)	(12.61)	(334.10)
Loss allowance on March 31, 2025	85.89	285.08	962.97

*Note: The management is maintaining overlays of approx. Rs.3.40 crore to address future contingencies & uncertainty, macroeconomic factor affecting small ticket size business loans etc.

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, 2025			
- Expiring beyond one year	100	-	100
- Expiring within one year	-	-	-
Total	100	-	100
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



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(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, 2025	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Financial assets					
Cash and Cash equivalents	6,007.85	-	-	-	6,007.85
Bank balances other than cash and cash equivalents	1,715.81	1,028.80	136.65	-	2,881.27
Receivables	17.72	-	-	-	17.72
Loans	30,540.26	24,463.49	12,311.25	2,027.09	69,342.10
Other financial assets	1,171.16	1.75	1.69	12.92	1,187.52
Total undiscounted financial assets	39,452.80	25,494.04	12,449.59	2,040.02	79,436.45
Financial liabilities					
Debt securities	2,848.85	7,371.17	-	-	10,220.02
Borrowings (other than debt securities but including interest accrued)	21,752.96	14,412.90	3,350.70	94.68	39,611.24
Payables	243.11	-	-	-	243.11
Other financial liabilities	301.14	-	-	-	301.14
Total undiscounted financial liabilities	25,146.06	21,784.07	3,350.70	94.68	50,375.51
Net undiscounted financial assets/(liabilities)	14,306.75	3,709.97	9,098.89	1,945.34	29,060.95

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	1,872.02	2,331.66	-	144.91	4,348.59
Receivables	337.64	-	-	-	337.64
Loans	18,866.06	14,842.24	8,495.30	2,039.54	44,243.14
Other financial assets	896.35	-	-	-	896.35
Total undiscounted financial assets	27,457.92	17,173.91	8,495.30	2,184.45	55,311.57
Financial liabilities					
Debt securities	200.35	2,090.96	-	-	2,291.32
Borrowings (other than debt securities but including interest accrued)	13,462.61	9,864.55	3,741.74	212.72	27,281.62
Payables	127.06	-	-	-	127.06
Other financial liabilities	243.12	-	-	-	243.12
Total undiscounted financial liabilities	14,033.14	11,955.51	3,741.74	212.72	29,943.12
Net undiscounted financial assets/(liabilities)	13,424.78	5,218.40	4,753.56	1,971.72	25,368.45

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, 2025, 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, 2025	As at March 31, 2024
Variable rate liabilities		
Borrowings other than debt securities	8,511.74	10,007.76
Fixed rate liabilities		
Debt Securities	7,371.17	1,952.13
Borrowings other than debt securities	27,625.51	13,233.10
Total	43,508.43	25,192.99

Sensitivity

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

ii) Assets

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

Note 41: Capital Management

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

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

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

Particulars	March 31, 2025	March 31, 2024
Borrowings (other than debt securities)	34,885.46	23,459.39
Debt Securities	8,974.09	1,952.13
Less: Cash and Cash Equivalents	(6,007.85)	(5,485.86)
Net debt*	37,851.70	19,925.66
Equity Share Capital	15,755.79	15,755.79
Other Equity	3,268.95	2,523.26
Total equity	19,024.74	18,279.05
Net debt to equity ratio / Gearing ratio	1.99	1.09

* 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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Notes to the financial statements for the period ended March 31, 2025

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

Note 42: Maturity analysis of assets and liabilities

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

	March 31, 2025			March 31, 2024		
	Within 12 months	More than 12 months	Total	Within 12 months	More than 12 months	Total
ASSETS						
Financial assets						
Cash and cash equivalents	6,005.84	-	6,005.84	5,485.86	-	5,485.86
Bank balances other than cash and cash equivalents	1,592.84	1,100.16	2,692.99	587.88	3,371.81	3,959.69
Receivables	17.53	0.19	17.72	337.64	-	337.64
Loans	21,638.82	29,181.13	50,819.95	12,501.24	25,377.08	37,878.32
Other financial assets	1,187.52	-	1,187.52	896.35	-	896.35
	30,442.55	30,281.47	60,724.02	19,808.97	28,748.89	48,557.85
Non Financial assets						
Current tax assets (net)	-	1,096.52	1,096.52	-	923.73	923.73
Deferred tax assets (net)	-	937.09	937.09	-	1,090.99	1,090.99
Property, plant and equipment	75.59	526.83	602.41	57.50	274.48	331.98
Other intangible assets	-	5.38	5.38	2.36	-	2.36
Capital WIP	-	-	-	9.21	-	9.21
Other non financial assets	829.78	-	829.78	575.09	-	575.09
	905.37	2,565.81	3,471.18	644.16	2,289.20	2,933.36
TOTAL ASSETS	31,347.92	32,847.28	64,195.20	20,453.13	31,038.09	51,491.22
LIABILITIES						
Financial Liabilities						
Payables						
Trade Payables						
total outstanding dues of MSMEs	43.17	-	43.17	13.78	-	13.78
total outstanding dues of creditors other than MSMEs	199.94	-	199.94	113.28	-	113.28
Debt securities	2,006.94	6,967.15	8,974.09	-	1,952.13	1,952.13
Borrowings (other than debt securities)	21,752.96	13,132.50	34,885.46	9,640.38	13,819.01	23,459.39
Other financial liabilities	301.14	-	301.14	243.12	-	243.12
	24,304.15	20,099.65	44,403.80	10,010.56	15,771.14	25,781.70
Non Financial Liabilities						
Provisions	539.47	121.14	660.61	29.66	1,606.56	1,636.22
Other non financial liabilities	106.05	-	106.05	108.15	-	108.15
	645.52	121.14	766.66	137.81	1,606.56	1,744.37
TOTAL Liabilities	24,949.67	20,220.79	45,170.46	10,148.37	17,377.70	27,526.07
Net	6,398.25	12,626.49	19,024.74	10,304.76	13,660.39	23,965.15



SATIN FINSERV LIMITED
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(All amounts in ₹ in lakhs, unless stated otherwise)

Note 43: Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The 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, 2025			For the period ended March 31, 2024		
	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 44: 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 45: Additional disclosures as required by the Reserve Bank of India
(i) Capital to Risk Assets Ratio (CRAR)

Particulars	As at	As at
	March 31, 2025	March 31, 2024
CRAR (%)	37.62	48.00
CRAR - Tier I Capital (%)	37.62	48.00
CRAR - Tier II Capital (%)	-	-
Liquidity Coverage Ratio	202%	219%
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, 2025	March 31, 2024
Value of Investments		
Gross Value of Investments		
(a) In India	-	-
(b) Outside India,	-	-
Provisions for Depreciation		
(a) In India	-	-
(b) Outside India,	-	-
Net Value of Investments		
(a) In India	-	-
(b) Outside India,	-	-
Movement of provisions held towards depreciation on investments		
(i) Opening balance	-	-
(ii) Add : Provisions made during the year	-	-
(iii) Less : Write-off / write-back of excess provisions during the year	-	-
(iv) Closing balance	-	-

(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.



SATIN FINSERV LIMITED
Notes to the financial statements for the period ended March 31, 2025

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

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

47 Trade Receivables ageing schedule

Particulars	Outstanding for following periods from due date of payment - March 31' 2025						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	-	12.30	5.23	0.19	-	-	17.72
(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' 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	-	-	-	-	-	-	-

47A 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	-	1.58	-	-	-	-	1.58

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	-	121.04	-	-	-	-	121.04

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

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

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.

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.

49 Previous year figures have been re-grouped/re-classified wherever necessary to make it comparable with the figure presented for the year ended 31st March 2025.

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

Rajeev Bhatia
Partner
M.No. 089018



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

Harvinder Pal Singh
DIN: 00333754
Director
Place : Gurugram
Dhiraj Jha

Chief Executive Officer
Place : Gurugram

Arjun Bansal

Chief Financial Officer
Place : Gurugram
Date: April 25, 2025

Sandeep Kumar Mehta
DIN: 00840544
Director
Place : Gurugram
Sangam Jaiswal
Mem No: A44284

Company Secretary & CCO
Place : Gurugram



Place: Gurugram
Date: April 25, 2025

SATIN FINSERV LIMITED
Notes to the financial statements for the period ended March 31, 2025

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

(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 12,358.52 lakhs during the year ended March 31, 2025 (March 31, 2024: INR 4,259.71 lakhs), being the principal value outstanding as on the date of the deals that are outstanding. The Company is responsible for collection and 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, 2025	For the period ended March 31, 2024
1. No of SPEs holding assets for securitization transactions originated by the originator	8	4
2. Total amount of securitized assets as per books of the SPEs	17,421.38	5,062.86
3. Total amount of exposures retained by the originator to comply with MRR as on the date of balance sheet	1,726.70	519.72
a) Off Balance sheet exposures	-	-
* First loss	-	-
* Others	-	-
b) On Balance sheet exposures	-	-
* First loss	1,726.70	519.72
* Others	-	-
4. Amount of exposures to securitization transactions other than MRR	932.55	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	932.55	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	15,357.52	4,488.50
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	2,659.25	780.70
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, 2025	For the year ended March 31, 2024
Number of Cases	-	1
Amount of Fraud	-	1.76
Recovery	-	-
Amount written off	-	1.76

Nature of fraud (Borrower)	For the year ended March 31, 2025	For the year ended March 31, 2024
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, 2025	As at March 31, 2024
Concentration of Advances		
Total advances to twenty largest borrowers	4,093.37	3,989.81
(%) of advances to twenty largest borrowers to total advances	7.85%	12.14%
Concentration of Exposures		
Total exposure to twenty largest borrowers	4,093.37	3,989.81
(%) of exposure to twenty largest borrowers to total exposure	7.85%	12.14%
Concentration of NPAs		
Total exposure to top four NPA accounts	53.02	32.70
(%) of exposure to top four NPA accounts	0.10%	0.10%



SATIN FINSERV LIMITED
Notes to the financial statements for the period ended March 31, 2025

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

(xvi) Movement of NPAs:-

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
i) Net NPAs to net advance (%)	3.71%	3.26%
ii) Movement of NPAs (Gross)		
a) Opening balance	1,597.38	1,044.62
b) Addition during the year	2,237.14	967.30
c) Reduction/ write off during the year	(928.90)	(414.54)
d) Closing balance	2,905.62	1,597.38
iii) Movement of NPAs (Net)		
a) Opening balance	1,050.99	605.65
b) Addition during the year	1,411.51	669.56
c) Reduction/ write off during the year	(578.17)	(224.22)
d) Closing balance	1,884.33	1,050.99
iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
a) Opening balance	546.40	438.97
b) Addition during the year	825.62	297.74
c) Reduction/ write off during the year	(350.73)	(190.32)
d) Closing balance	1,021.29	546.40

(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, 2025	For the year ended March 31, 2024
Provision for standard and non performing assets	665.10	92.15
Provision for gratuity	25.97	(37.55)
Provision for compensation absences	(0.04)	(20.43)
Other Provisions	(1,001.54)	166.63

(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, 2025 (Customer)	For the year ended March 31, 2024 (Customer)	For the year ended March 31, 2025 (Borrower)	For the year ended March 31, 2024 (Borrower)
a) Total amount of intra-group exposures	0.00	0.00	0.00	0.00
b) Total amount of top 20 intra-group exposures	0.00	0.00	0.00	0.00
c) Percentage of intra-group exposures to total exposure of the Company on borrowers/customers	0.00%	0.00%	0.00%	0.00%

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

(xxi)

Type of borrower	(A)	(B)	(C)	(D)	(E)
	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	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*	-	-	-	-	-
Of which, MSMEs	-	-	-	-	-
Others - MSMEs	338.52	7.22	-	28.54	302.76
Total	338.52	7.22	-	28.54	302.76

*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, 2025
(All amounts in ₹ in lakhs, unless stated otherwise)

(xxii) Asset Liabilities Management Maturity pattern of certain items of assets and liabilities:-

As at March 31, 2025

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	-	-	-	-	-	2,006.94	-	6,967.15	-	-	8,974.09
Borrowings from Banks	-	-	194.40	195.14	179.69	542.86	830.15	758.36	-	-	2,700.59
Market Borrowings (other than Banks)	512.80	13.89	1,022.15	1,456.39	1,461.80	4,090.12	8,021.30	15,255.30	-	-	31,833.75
Assets											
Advances	1,303.96	13.56	2,367.84	1,896.61	1,521.65	4,671.05	9,864.16	28,871.61	95.21	214.30	50,819.95
Cash and cash equivalents	4,008.09	-	1,997.75	-	-	-	-	-	-	-	6,005.84
Bank balances other than cash and cash equivalents	8.33	-	-	-	5.50	199.79	1,379.21	1,100.16	-	-	2,692.99



SATIN FINSERV LIMITED

Notes to the financial statements for the period ended March 31, 2025
(All amounts in ₹ in lakhs, unless stated otherwise)

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	10,425.89	-	-	20,010.39
Assets											
Advances	718.03	43.96	1,287.92	853.98	863.27	3,801.33	5,601.60	18,101.46	617.69	302.99	32,192.22
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	0.00	-	3,959.69



SATIN FINSERV LIMITED

Notes to the financial statements for the period ended March 31, 2025
(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	(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets							
Standard		Stage 1	47,817.79	85.68	47,732.11	194.61	(108.94)
		Stage 2	1,430.48	226.97	1,203.51	6.33	220.64
Subtotal			49,248.27	312.65	48,935.62	200.94	111.70
Non-Performing Assets (NPA)							
Substandard		Stage 1	1.20	0.21	0.99	0.12	0.09
Substandard		Stage 2	185.19	58.11	127.08	19.96	38.15
Substandard		Stage 3	2,413.34	857.64	1,555.70	254.87	602.77
Doubtful - up to 1 year		Stage 3	305.89	105.34	200.55	62.30	43.04
1 to 3 years		Stage 3	-	-	-	-	-
More than 3 years		Stage 3	-	-	-	-	-
Subtotal for doubtful			305.89	105.34	200.55	62.30	43.04
Loss		Stage 3	Nil	Nil	Nil	Nil	Nil
Subtotal for NPA			2,905.62	1,021.29	1,884.33	337.25	684.04
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms		Stage 1	Nil	Nil	Nil	Nil	Nil
		Stage 2	Nil	Nil	Nil	Nil	Nil
		Stage 3	Nil	Nil	Nil	Nil	Nil
Subtotal			Nil	Nil	Nil	Nil	Nil
Total		Stage 1	47,818.99	85.89	47,733.10	194.73	(108.85)
		Stage 2	1,615.67	285.08	1,330.59	26.29	258.79
		Stage 3	2,719.23	962.97	1,756.26	317.17	645.80
		Total	52,153.89	1,333.94	50,819.95	538.20	795.74



SATIN FINSERV LIMITED

Notes to the financial statements for the period ended March 31, 2025

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

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

There is no breach in terms of covenants in respect of loans availed or debt securities issued by the Company as on March 31, 2025.

(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, 2025			For the year ended March 31, 2024		
	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	6,728.80	808.09	12.01%	6,768.04	556.53	8.22%
MSME	6,696.41	468.29	6.99%	3,775.56	473.59	12.54%
Services	34,337.75	1,599.00	4.66%	17,830.22	496.97	2.79%
Corporate borrowers	4,129.32	-	0.00%	4,197.08	0.00	0.00%
Others	261.61	30.23	11.56%	290.16	70.29	24.23%
Total	52,153.89	2,905.62	5.57%	32,861.06	1,597.38	4.86%

(xxvii) Customer complaints:-

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
a) Number of complaints pending at the beginning of the year	-	-
b) Number of complaint received during the year	16	32
c) Number of complaints disposed during the year	27	32
d) Of which, number of complaints rejected by the company	-	-
d) Number of complaint pending at the end of the year	(11)	-

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, 2025					
Complaint w.r.t terms of loan disbursement	-	11	-389%	-	-
Other Complaints	-	16	0%	-	-
For the year ended March 31, 2024					
Complaint/enquiries w.r.t terms of loan agreement	-	32	540%	-	-
Other Complaints	-	-	0%	-	-

(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)	ICRA A- (Stable)
2	Non Convertible Debentures	60.00	ICRA Limited	ICRA A- (Stable)	ICRA A- (Stable)
3	Non Convertible Debentures	60.00	ICRA Limited	ICRA A- (Stable)	NA
4	Securitization (Nimbus)	4.01	Acuite Ratings Ltd	ACUTE A- (SO) Reaffirmed	ACUTE A- (SO)
5	Securitization (Admiral)	3.89	CARE Ratings Ltd	CARE A- (SO) Reaffirmed	CARE A- (SO)
6	Securitization (Equity Tranche)-Admiral	0.48	CARE Ratings Ltd	CARE BBB (SO) Reaffirmed	CARE BBB (SO)
7	Securitization (Ensata)	3.10	ICRA Limited	ICRA A+(SO) Reaffirmed	ICRA A+(SO)
8	Securitization (Equity Tranche)- Ensata	0.48	ICRA Limited	ICRA BBB+ (SO) Reaffirmed	ICRA BBB+ (SO)
9	Securitization (Leonard)	11.78	ICRA Limited	ICRA A (SO) Reaffirmed	ICRA A (SO)
10	Securitization (Butterfly)	16.90	ICRA Limited	ICRA AA- (SO)	NA
11	Securitization (Butterfly)	1.88	ICRA Limited	ICRA A+ (SO)	NA
12	Securitization (Bluestreak)	25.99	ICRA Limited	ICRA A (SO)	NA
13	Securitization (Yoda)	33.24	ICRA Limited	ICRA A (SO)	NA
14	Securitization (Equity Tranche)- Yoda	1.85	ICRA Limited	ICRA BBB+ (SO) Reaffirmed	NA
15	Securitization (Lunify)	32.69	ICRA Limited	ICRA A (SO)	NA
16	Securitization (Equity Tranche)-Lunify	1.82	ICRA Limited	ICRA BBB+ (SO) Reaffirmed	NA

*Note: The outstanding amount is updated as per the reaffirmed rating.



Notes to the financial statements for the period ended March 31, 2025

(xxix) Schedule to Balance Sheet

SAVIN FINISERV LIMITED
GURUGRAM

SATIN FINSERV LIMITED

Notes to the financial statements for the period ended March 31, 2025

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

7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :		
Category	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1) Related Parties		
(a) Subsidiaries	-	-
(b) Companies in the same group	-	-
(c) Other related parties	-	-
2) Other than related parties	-	-
8) Other information		
Particulars	Amount	
i) Gross Non-Performing Assets	2,905.62	
(a) Related parties	-	
(b) Other than related parties	2,905.62	
(ii) Net Non-Performing Assets	1,884.33	
(a) Related parties	-	
(b) Other than related parties	1,884.33	
(iii) Assets acquired in satisfaction of debt	-	

