

December 14, 2023

To,
The Manager,
National Stock Exchange of India Ltd.,
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra East, Mumbai-400051

The Manager,
BSE Limited,
25th Floor, P. J. Towers,
Dalal Street,
Mumbai-400001

Symbol: SATIN**Scrip Code: 539404**

Sub: Approval of Unaudited Interim Condensed Standalone Financial Statements and Unaudited Interim Condensed Consolidated Financial Statements as of and for the six months ended September 30, 2023

Ref: Intimation under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“SEBI Listing Regulations”)

Dear Sir/Madam,

Pursuant to Regulation 30 of the SEBI Listing Regulations and in furtherance to our intimation dated October 27, 2023 in relation to the announcement of the un-audited financial results (standalone and consolidated) along with the limited review report for the quarter & half year ended September 30, 2023 of the Company, we wish to inform you that Fund Raising Committee of the Board of Directors of the Company in their meeting held today i.e. December 14, 2023 has approved the Unaudited Interim Condensed Standalone Financial Statements and Unaudited Interim Condensed Consolidated Financial Statements as of and for the six months ended September 30, 2023 (collectively “**Unaudited Interim Condensed Financials**”) prepared in accordance with the requirements of Indian Accounting Standards - 34 (Ind AS-34) prescribed under Section 133 of the Companies Act, 2013 along with the rules made thereunder and other applicable laws, if any, along with the review reports on Unaudited Interim Condensed Financials issued by the Statutory Auditors of the Company, i.e. S.S. Kothari Mehta & Company, Chartered Accountants.

The above financial statements are being made available on the Company’s website at i.e. www.satincreditcare.com

The meeting of the Fund Raising Committee commenced at 9:45 A.M. and concluded at 11:17 A.M.

We request you to take the above on record and the same be treated as compliance under Regulation 30 and the other applicable provisions of the SEBI Listing Regulations.

Thanking You.

Yours faithfully,
For Satin Creditcare Network Limited

(Vikas Gupta)
Company Secretary & Chief Compliance Officer

Encl.: a/a

Report on Review of the Unaudited Interim Condensed Standalone Financial Statements

To

The Board of Directors

Satin Creditcare Network Limited
Plot No. 492, Udyog Vihar, Phase – III,
Gurugram, Haryana – 122016, India.

1. We have reviewed the accompanying Unaudited Interim Condensed Standalone Financial Statements of Satin Creditcare Network Limited (“the Company”), which comprise the Unaudited Interim Condensed Standalone Balance Sheet as at September 30, 2023 and the Unaudited Interim Condensed Standalone Statement of Profit and Loss, including other comprehensive income, Unaudited Interim Condensed Standalone Cash Flow Statement and the Unaudited Interim Condensed Standalone Statement of Changes in Equity for the period April 01, 2023 to September 30, 2023 then ended and a summary of selected explanatory notes (including the comparative financial information as at March 31, 2023 and for the period April 01, 2022 to September 30, 2022) (together hereinafter referred to as the “Unaudited Interim Condensed Standalone Financial Statements”/ Statement). The Unaudited Interim Condensed Standalone Financial Statements have been prepared by the Company solely in connection with the proposed issuance of equity shares of the Company in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended and other applicable laws.

Management’s Responsibilities for the Unaudited Interim Condensed Standalone Financial Statements

2. These Unaudited Interim Condensed Standalone Financial Statements, being the responsibility of the Company’s Management, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 “Interim Financial Reporting” (“Ind AS 34”), prescribed under Section 133 of the Companies Act, 2013 as amended (the “Act”), read with relevant Rules issued thereunder and other accounting principles generally accepted in India and is approved by the Board of Directors of the Company. Our responsibility is to issue a report on the Unaudited Interim Condensed Standalone Financial Statements based on our review.

Auditor’s Responsibilities

3. We conducted our review of the Unaudited Interim Condensed Standalone Financial Statements in accordance with the Standard on Review Engagements (SRE) 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”, issued by the Institute of Chartered Accountants of India (“the ICAI”). This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.



4. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

5. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement has not been prepared in all material respects in accordance with the recognition and measurement principles laid down in Ind AS 34 “Interim Financial Reporting” and other recognized accounting practices and policies generally accepted in India.

Restriction on Use

6. This report is addressed to the Board of Directors of the Company and has been prepared solely for the purposes of submission to BSE Limited, National Stock Exchange of India Limited (“Stock Exchanges”) or any other authority as may be required under applicable laws and also for including it in the preliminary placement document and placement document, to be filed by the Company with the Securities and Exchange Board of India, Stock Exchanges and the Registrar of the Companies, National Capital Territory of Delhi and Haryana in Delhi, in connection with the proposed issuance of the Securities of the Company. This report should not be otherwise used or shown to or distributed or otherwise made available to any party or used for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come.

For S S Kothari Mehta & Co

Chartered Accountants

Firm’s Registration No. 000756N

NAVEEN
AGGARWAL

Digitally signed by NAVEEN AGGARWAL
DN: cn=NAVEEN AGGARWAL, o=HHAZIMBAD
e=Personal e=N.AGGARWAL@SSMKN.COM
Reason: I am the issuer of this document
Location:
Date: 2023.12.14 10:21+05:30

Naveen Aggarwal

Partner

Membership No. 094380

UDIN: 23094380BGUNGA6015



Place: Gurugram

Date: December 14, 2023

SATIN CREDITCARE NETWORK LIMITED

Unaudited Interim Condensed Standalone Balance Sheet as at September 30, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

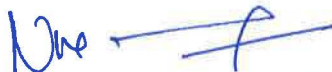
	Notes	As at September 30, 2023	As at March 31, 2023
ASSETS			
Financial Assets			
Cash and cash equivalents	3	50,615.12	21,335.16
Bank balances other than cash and cash equivalents	4	88,758.87	81,540.28
Derivative financial instruments		2,385.98	2,231.64
Trade receivables		363.18	241.12
Loans	5	661,190.58	568,421.19
Investments		84,815.99	74,151.81
Other financial assets		8,122.25	1,606.69
		896,251.97	749,527.89
Non-financial Assets			
Current tax assets (net)		5,713.97	3,321.63
Investment Property		648.04	664.26
Property, plant and equipment		8,362.35	8,328.99
Other intangible assets		114.01	144.66
Other non-financial assets		2,928.65	2,552.22
		17,767.02	15,011.76
TOTAL ASSETS		914,018.99	764,539.65
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Payables			
Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises			
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		66.37	198.23
Other payables			
(i) total outstanding dues of micro enterprises and small enterprises		320.20	23.87
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1,646.30	1,125.93
Debt securities	6	81,922.60	109,144.08
Borrowings (other than debt securities)	7	566,488.49	400,477.70
Subordinated liabilities	8	27,989.13	35,126.25
Other financial liabilities		9,958.61	25,542.79
		688,391.70	571,638.85
Non-financial Liabilities			
Provisions		798.63	703.85
Deferred tax liabilities (net)		6,238.24	245.64
Other non-financial liabilities		742.00	579.63
		7,778.87	1,529.12
EQUITY			
Equity share capital	9	9,920.66	8,479.63
Other equity	10	207,927.76	182,892.05
		217,848.42	191,371.68
TOTAL LIABILITIES AND EQUITY		914,018.99	764,539.65

Company overview and Basis of preparation

This interim condensed standalone Balance Sheet referred to in our report of even date

1-2

For S S Kothari Mehta & Co
Chartered Accountants
Firm's Registration No. 000756N



Naveen Aggarwal
Partner
Membership Number: 094380



Place : Gurugram
Date : December 14, 2023

For and on behalf of the Board of Directors
Satin Creditcare Network Limited


Harvinder Pal Singh
(Chairman cum Managing Director)
DIN: 00353754

Place : Gurugram
Date : December 14, 2023



Rakesh Sachdeva
(Chief Financial Officer)



SATIN CREDITCARE NETWORK LIMITED

Unaudited Interim Condensed Standalone Statement of Profit and Loss for the half year ended September 30, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

	Notes	For the half year ended September 30, 2023	For the half year ended September 30, 2022
I. Income			
Revenue from operations			
Interest income	11	79,275.97	55,771.76
Dividend income		-	0.17
Rental income		62.85	43.53
Fees and commission income	12	1,066.28	1,055.07
Net gain on fair value changes		284.95	36,511.05
Net gain on derecognition of financial instruments		9,862.48	5,203.32
Other operating income		323.92	101.66
Total Revenue from operations		90,876.45	98,686.56
Other income		36.04	17.33
Total Income		90,912.49	98,703.89
II. Expenses			
Finance costs	13	37,042.47	28,531.91
Impairment on financial instruments	14	4,438.62	33,506.94
Employee benefit expenses		17,354.84	15,709.51
Depreciation and amortisation expense		921.85	568.99
Other expenses		5,832.94	6,275.62
Total		65,590.72	84,592.97
Profit before tax		25,321.77	14,110.92
Tax expense:			
Current tax		-	-
Deferred tax charge		6,403.77	2,630.72
Total tax expenses		6,403.77	2,630.72
Profit after tax		18,918.00	11,480.20
Other comprehensive income			
Items that will not be reclassified to profit and loss		(1,934.19)	(40.71)
Income tax relating to items that will not be reclassified to profit and loss		486.80	10.25
	A	(1,447.39)	(30.46)
Items that will be reclassified to profit and loss		300.52	173.68
Income tax relating to items that will be reclassified to profit and loss		(75.63)	(43.71)
	B	224.89	129.97
Other comprehensive income	A+B	(1,222.50)	99.51
Total comprehensive income		17,695.50	11,579.71
Earnings per equity share (face value of ₹ 10 per equity share)			
Basic (₹)	15	20.61	15.29
Diluted (₹)		20.61	14.31
Company overview and Basis of preparation	1-2		
This interim condensed standalone Statement of Profit and Loss referred to in our report of even date.			

For S S Kothari Mehta & Co
Chartered Accountants
Firm's Registration No. 000756N

Naveen Aggarwal
Partner
Membership Number: 094380



Place : Gurugram
Date : December 14, 2023

For and on behalf of the Board of Directors
Satin Creditcare Network Limited

Harvinder Pal Singh
(Chairman cum Managing Director)
DIN: 00331754

Place : Gurugram
Date : December 14, 2023



Rakesh Sachdeva
(Chief Financial Officer)

SATIN CREDITCARE NETWORK LIMITED
Unaudited Interim Condensed Standalone cash flow statement for the half year ended September 30, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

	For the half year ended September 30, 2023	For the half year ended September 30, 2022
A Cash flow from operating activities		
Profit before tax	25,321.77	14,110.92
Adjustments for:		
Depreciation and amortisation	493.43	491.75
Depreciation of right-of-use assets	428.42	77.24
Net loss on derecognition of property, plant and equipment	14.34	2.89
Fair value gain on mutual funds	(201.67)	(208.86)
Loss/(gain) on fair valuation of subsidiaries	69.88	(35,101.76)
Unrealised gain on fair value changes of derivatives and investments	(153.16)	(1,200.43)
Property, plant and equipment written off	-	1.30
Impairment on financial instruments	4,438.62	33,506.94
Dividend income	-	(0.17)
Gain on sale of loan portfolio through assignment	(9,862.48)	(5,203.32)
First loss default guarantee (reversal) / expenses	(433.65)	(12.91)
Effective interest rate adjustment for financial instruments	997.86	911.39
Interest expense for leasing arrangements	90.75	25.45
Net gain on termination of leases	(12.21)	-
Corporate guarantee premium income	(23.83)	(17.33)
Unrealised exchange fluctuation loss (net)	434.73	491.57
Operating profit before working capital changes	21,602.80	7,874.67
Movement in working capital		
(Increase)/decrease in trade receivables	(122.06)	30.26
Increase in loans	(85,474.04)	(26,748.15)
(Increase) / decrease in fixed deposits	(7,218.59)	2,574.32
(Increase) / decrease in other financial assets	(6,510.10)	481.26
Increase in other non-financial assets	(376.43)	(216.32)
Increase / (decrease) in trade and other payables	684.84	(431.59)
(Decrease) / Increase in other financial liabilities	(15,126.70)	7,731.59
Increase / (decrease) in provisions	38.15	(91.57)
Increase / (decrease) in other non-financial liabilities	162.37	(5.91)
Cash used in from operating activities post working capital changes	(92,339.76)	(8,801.44)
Income taxes paid (net)	(2,392.34)	(1,904.38)
Net cash used in operating activities (A)	(94,732.10)	(10,705.82)
B Cash flows from investing activities		
Purchase of property, plant and equipment	(409.68)	(500.50)
Proceeds from sale of property, plant and equipment	18.41	9.03
Investment made in subsidiaries	(6,500.00)	(1,999.95)
Dividend income	-	0.17
Purchase of investments	(523,836.13)	(272,528.36)
Sale of investments	516,348.56	265,652.34
Net cash used in investing activities (B)	(14,378.84)	(9,367.27)
C Cash flows from financing activities		
Proceeds from issue of share capital and share warrants (including premium and net of share issue expenses)	8,781.24	2,500.00
Proceeds from debt securities	19,386.62	9,483.23
Repayment of debt securities	(46,824.32)	(25,500.70)
Proceeds from borrowings other than debt securities	354,805.44	171,771.72
Repayment of borrowings other than debt securities	(190,106.28)	(191,562.60)
Lease payments	(499.41)	(102.42)
Repayment of subordinated liabilities	(7,152.39)	(7,684.89)
Net cash generated from/(used in) financing activities (C)	138,390.90	(41,095.66)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	29,279.96	(61,168.75)
Cash and cash equivalents at the beginning of the year	21,335.16	85,482.03
Cash and cash equivalents at the end of the half year	50,615.12	24,313.28



SATIN CREDITCARE NETWORK LIMITED

Unaudited Interim Condensed Standalone cash flow statement for the half year ended September 30, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Notes:

Cash and cash equivalents

Less: Overdraft facility against term deposits

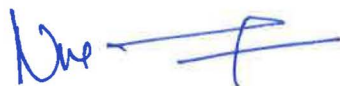
For the half year ended September 30, 2023	For the half year ended September 30, 2022
50,615.12	60,096.37
-	(35,783.09)
50,615.12	24,313.28

Company overview and Basis of preparation

1-2

This interim condensed standalone Statement of Cash Flow referred to in our report of even date.

For S S Kothari Mehta & Co
Chartered Accountants
Firm's Registration No. 000756N



Naveen Aggarwal
Partner
Membership Number: 094380

Place : Gurugram
Date : December 14, 2023



For and on behalf of the Board of Directors
Satin Creditcare Network Limited



Harvinder Pal Singh
(Chairman cum Managing Director)
DIN: 00333754

Place : Gurugram
Date : December 14, 2023



Rakesh Saubdeya
(Chief Financial Officer)

SATIN CREDITCARE NETWORK LIMITED
 Unaudited Interim Condensed Standalone Statement of changes in equity for the half year ended September 30, 2023
 (All amounts in ₹ lakhs, unless otherwise stated)

A. Equity share capital (Refer note 9)

September 30, 2023

Particulars	Balance as at April 1, 2023	Changes in Equity Share Capital due to prior period errors	Restated balance at April 1, 2023	Changes during the half year	Balance as at September 30, 2023
Equity share capital	8,479.63	-	8,479.63	1,441.03	9,920.66

March 31, 2023

Particulars	Balance as at April 1, 2022	Changes in Equity Share Capital due to prior period errors	Restated balance at April 1, 2022	Changes during the year	Balance as at March 31, 2023
Equity share capital	7,459.12	-	7,459.12	1,020.51	8,479.63

B. Other equity (Refer note 10)

Particulars	Reserves and Surplus						Equity instruments through other comprehensive income	Change in fair value of loan assets through other comprehensive income	Cash flow hedge reserve	Money received against share warrants	Total
	Statutory reserve fund	Securities premium	General reserve	Capital redemption reserve	Share options outstanding account	Retained earnings					
Balance as at April 1, 2022	10,770.89	106,455.16	29.94	2,777.00	-	27,539.10	(5.00)	578.06	20.56	5,000.00	153,165.71
Profit for the year	-	-	-	-	-	26,432.92	-	-	-	-	26,432.92
Other comprehensive income (net of tax)	-	-	-	-	-	(22.20)	(2,044.12)	182.07	(20.56)	-	(1,904.81)
Issue of equity shares (net of share issue expenses)	-	7,271.15	-	-	-	-	-	-	-	(8,291.67)	(1,020.52)
Issue of share warrants	-	-	-	-	-	-	-	-	-	6,218.75	6,218.75
Transfer to statutory reserves	5,286.58	-	-	-	-	(5,286.58)	-	-	-	-	-
Balance as at March 31, 2023	16,057.47	113,726.31	29.94	2,777.00	-	48,663.24	(2,049.12)	760.13	-	2,927.08	182,892.05
Profit for the half year	-	-	-	-	-	18,918.00	-	-	-	-	18,918.00
Other comprehensive income (net of tax)	-	-	-	-	-	(42.37)	(1,405.02)	224.89	-	-	(1,222.50)
Issue of equity shares (net of share issue expenses)	-	10,267.29	-	-	-	-	-	-	-	(11,708.32)	(1,441.03)
Issue of share warrants	-	-	-	-	-	-	-	-	-	8,781.24	8,781.24
Transfer to statutory reserves	3,783.60	-	-	-	-	(3,783.60)	-	-	-	-	-
Balance as at September 30, 2023	19,841.07	123,993.60	29.94	2,777.00	-	63,755.27	(3,454.14)	985.02	-	-	207,927.76

Company overview and Basis of preparation

1-2

This interim condensed standalone Statement of Changes in Equity referred to in our report of even date.

For S S Kothari Mehta & Co
 Chartered Accountants
 Firm's Registration No. 000756N

Naveen Aggarwal
 Partner
 Membership Number: 094380



Place : Gurugram
 Date : December 14, 2023

For and on behalf of the Board of Directors
 Satin Creditcare Network Limited

Harvinder Pal Singh
 (Chairman cum Managing Director)
 DIN: 00333754

Place : Gurugram
 Date : December 14, 2023



Rakesh Sachdeva
 (Chief Financial Officer)

SATIN CREDITCARE NETWORK LIMITED

Selected explanatory notes to the Unaudited Interim Condensed Standalone financial statements for the half year ended September 30, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

1 Company overview

Satin Creditcare Network Limited ('the Company') is a public limited company and incorporated 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 – Micro Finance Institution ('NBFC-MFI') with the Reserve Bank of India ("RBI") in November 2013. The Company is engaged primarily in providing micro finance services to women in the rural areas of India who are enrolled as members and organized as Joint Liability Groups ('JLG'). The Company is domiciled in India and its registered office is situated at 5th Floor, Kundan Bhawan, Azadpur Commercial Complex, New Delhi – 110033.

2 Basis of preparation

These Unaudited Interim Condensed Standalone Financial Statements of Satin Creditcare Network Limited ("the Company"), which comprise the Unaudited Interim Condensed Standalone Balance Sheet as at September 30, 2023 and the Unaudited Interim Condensed Standalone Statement of Profit and Loss, including other comprehensive income, Unaudited Interim Condensed Standalone Cash Flow Statement and the Unaudited Interim Condensed Standalone Statement of Changes in Equity for the period April 01, 2023 to September 30, 2023 then ended and a summary of selected explanatory notes (including the comparative financial information as at March 31, 2023 and for the period April 01, 2022 to September 30, 2022) (together hereinafter referred to as the "Unaudited Interim Condensed Standalone Financial Statements"/ Statement) have been prepared in accordance with the principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India.

The accounting policies and critical accounting estimates & judgements followed in the preparation of the Unaudited Interim Condensed Standalone Financial Statements are consistent with those followed in the preparation of financial statements for the year ended March 31, 2023.

The Unaudited Interim Condensed Standalone Financial Statements as at September 30, 2023 does not include all the information and disclosures Statements which were prepared as at March 31, 2023. However, selected explanatory notes are included to explain events and transactions financial position and performance since the last Audited Financial Statements.

These Unaudited Interim Condensed Standalone Financial Statements have been prepared for the purpose of inclusion in the Preliminary Placement Document and the Placement Document to be filed with the Securities and Exchange Board of India ("SEBI"), in connection with the proposed issuance of the equity shares of the Company in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended and other applicable laws.

These Unaudited Interim Condensed Standalone Financial Statements as at and for the half year ended September 30, 2023 along with the comparatives as mentioned above are approved and adopted by the Fund raising Committee of the Company in their meeting held on December 14, 2023.



SATIN CREDITCARE NETWORK LIMITED

Selected explanatory notes to the Unaudited Interim Condensed Standalone financial statements for the half year ended September 30, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at September 30, 2023	As at March 31, 2023
3 Cash and cash equivalents		
Cash on hand	3,732.39	4,022.27
Balances with banks and financial institutions		
- Balance with banks in current accounts*	39,128.17	15,312.64
- Deposits for original maturity of less than 3 months	7,754.56	2,000.25
Total	50,615.12	21,335.16

*Balance in current accounts includes balance of ₹ 2.15 lakhs (March 31, 2023 : ₹ 2.15 lakhs) which is earmarked for unpaid dividend

Particulars	As at September 30, 2023	As at March 31, 2023
4 Bank balances other than cash and cash equivalents		
Deposits for remaining maturity of more than 3 months and upto 12 months	8,064.40	4,213.98
Deposits with remaining maturity more than 12 months	759.80	935.46
Balance with banks and financial institutions to the extent held as margin money deposits against borrowings and guarantees	79,934.67	76,390.84
Total	88,758.87	81,540.28

Particulars	As at September 30, 2023		As at March 31, 2023	
	At fair value through other comprehensive income	At amortised cost	At fair value through other comprehensive income	At amortised cost
5 Loans				
Portfolio loans				
Secured	-	4,998.92	-	4,883.97
Unsecured	468,147.08	200,464.93	381,675.56	193,746.68
	468,147.08	205,463.85	381,675.56	198,630.65
Less: Impairment loss allowance	(10,135.95)	(2,284.40)	(10,039.34)	(1,845.68)
Sub-total	458,011.13	203,179.45	371,636.22	196,784.97
Total loans		661,190.58		568,421.19

Particulars	As at September 30, 2023	As at March 31, 2023
(i) Secured by tangible assets (property, plant and equipment including land and building)	963.72	962.26
(ii) Secured by book debts, inventories, margin money and other working capital items	3,658.53	3,082.64
(iii) Unsecured	656,568.33	564,376.29
Total	661,190.58	568,421.19

Loans in India	As at September 30, 2023	As at March 31, 2023
(i) Public sector	-	-
(ii) Others	661,190.58	568,421.19
Total	661,190.58	568,421.19

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



SATIN CREDITCARE NETWORK LIMITED

Selected explanatory notes to the Unaudited Interim Condensed Standalone financial statements for the half year ended September 30, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at September 30, 2023	As at March 31, 2023
6 Debt securities (at amortised cost)		
Secured Non-convertible debentures	76,225.00	103,446.77
Unsecured Non-convertible debentures	5,697.60	5,697.31
Total	81,922.60	109,144.08
Debt securities in India	81,922.60	109,144.08
Debt securities outside India	-	-
Total	81,922.60	109,144.08

Secured non-convertible debentures are redeemable as per maturity cycle till August 13, 2027 and are carrying interest rate ranging from 10.50% to 13.01% p a

Unsecured non-convertible debenture is redeemable as per maturity cycle till February 28, 2028 and is carrying interest rate of 12.16% p a

Particulars	As at September 30, 2023	As at March 31, 2023
7 Borrowings (other than debt securities) (at amortised cost)		
Term loans		
From banks		
Secured*	244,609.52	178,611.44
From other parties		
Secured ^e	126,209.11	65,167.07
External commercial borrowings		
Secured	54,591.82	21,285.26
Unsecured	12,373.55	19,613.23
Commercial paper (unsecured)	9,874.38	-
Liability against securitised assets (secured)	117,483.21	114,564.33
Liability against leased assets (unsecured)	1,346.90	1,236.37
Total	566,488.49	400,477.70
Borrowings in India	499,523.12	359,579.21
Borrowings outside India	66,965.37	40,898.49
Total	566,488.49	400,477.70

*Includes amount guaranteed by directors in their personal capacity of ₹ 1,25,804.57 lakhs (March 31, 2023 : ₹ 75,799.94 lakhs)

#Includes amount guaranteed by directors in their personal capacity of ₹ 86,780.09 lakhs (March 31, 2023 : ₹ 45,762.81 lakhs)

Particulars	As at September 30, 2023	As at March 31, 2023
8 Sub-ordinated liabilities (at amortised cost)		
Non-convertible debentures	7,989.13	12,626.25
Term loans from banks	20,000.00	22,500.00
Total	27,989.13	35,126.25
Sub-ordinated liabilities in India	27,989.13	35,126.25
Sub-ordinated liabilities outside India	-	-
Total	27,989.13	35,126.25

Unsecured non-convertible debentures are redeemable as per maturity cycle till April 24, 2027 and are carrying interest rate ranging from 13.14% to 15.50% p a



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(All amounts in ₹ Lakhs, unless otherwise stated)

	As at September 30, 2023		As at March 31, 2023	
	Number	Amount	Number	Amount
9 Equity share capital				
A Authorised				
Equity share capital of face value of ₹ 10 each				
At the beginning of the period	105,000,000	10,500.00	105,000,000	10,500.00
Additions during the period	-	-	-	-
	105,000,000	10,500.00	105,000,000	10,500.00
B Issued and subscribed				
Equity share capital of face value of ₹ 10 each				
At the beginning of the period	85,349,021	8,534.90	75,143,893	7,514.39
Additions during the period	14,410,256	1,441.03	10,205,128	1,020.51
	99,759,277	9,975.93	85,349,021	8,534.90
C Issued and Paid-up				
Fully paid-up				
Equity share capital of face value of ₹ 10 each				
At the beginning of the period	85,224,125	8,522.41	75,018,997	7,501.90
Additions during the period	14,410,256	1,441.03	10,205,128	1,020.51
	99,634,381	9,963.44	85,224,125	8,522.41
Less: Amount recoverable from Satin Employees Welfare Trust (Equity shares of ₹ 10/- each allotted to the Satin Employees Welfare Trust)	(482,946)	(48.29)	(482,946)	(48.29)
Add: Forfeited shares (amount originally paid on 1,24,896 equity shares (March 31, 2023: 1,24,896 equity shares)	-	5.51	-	5.51
	99,151,435	9,920.66	84,741,179	8,479.63
D Reconciliation of number of equity shares outstanding at the beginning and at the end of the period				
Balance at the beginning of the period	85,224,125	8,522.41	75,018,997	7,501.90
Add: Issued during the period	14,410,256	1,441.03	10,205,128	1,020.51
	99,634,381	9,963.44	85,224,125	8,522.41
E Reconciliation of number of equity shares issued to Satin Employees Welfare Trust outstanding at the beginning and at the end of the period				
Balance at the beginning of the period	482,946	48.29	482,946	48.29
	482,946	48.29	482,946	48.29

F Rights, preferences and restrictions

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 fully paid 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. 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 or in case of partly paid shares the paid-up amount.

G Details of shareholder holding more than 5% share capital:

Name of shareholder	As at September 30, 2023		As at March 31, 2023	
	Number	%	Number	%
Trishashna Holdings & Investments Private Limited (THIPL)	37,784,820	37.92%	31,579,692	37.05%
Florintree Ventures LLP	12,307,692	12.35%	-	0.00%
Nordic Microfinance Initiative Fund III KS	-	0.00%	4,663,136	5.47%

II Aggregate number of shares issued for consideration other than cash during the last five years

On June 27, 2019, the Company has allotted 1,343,283 equity shares of ₹ 10 each on conversion of 1,343,283, Optionally Convertible, Cumulative, Redeemable Preference Shares ("OCRRPS") of face value of ₹ 10 each fully paid-up to IndusInd Bank Limited (entities belonging to non-promoter group).

I Shareholdings of Promoters

Promoter Name	As at September 30, 2023		As at March 31, 2023		% Change during the year
	No. of Shares	% of Total Shares	No. of Shares	% of Total Shares	
Mrs. Anureet HP Singh	726,148	0.73%	726,148	0.85%	(0.12%)
Mr. Harbans Singh (deceased)	406,402	0.41%	406,402	0.48%	(0.07%)
Mr. Satvinder Singh	385,703	0.39%	385,703	0.45%	(0.06%)
Mrs. Neeti Singh	204,092	0.20%	204,092	0.24%	(0.04%)
Trishashna Holdings & Investments Private Limited	37,784,820	37.92%	31,579,692	37.05%	0.87%
Wisteria Holdings & Investments Private Limited	322,262	0.32%	322,262	0.38%	(0.06%)
Total	39,829,427	39.97%	33,624,299	39.45%	0.52%

10 Other equity

Particulars	As at September 30, 2023	As at March 31, 2023
Capital redemption reserve	2,777.00	2,777.00
Statutory reserve	19,841.07	16,057.47
General reserve	29.94	29.94
Securities premium	123,993.60	113,726.31
Retained earnings	63,755.27	48,663.24
Money received against share warrants	-	2,927.08
Other comprehensive income:		
Equity instruments through other comprehensive income	(3,454.14)	(2,049.12)
Changes in fair value of loan assets	985.02	760.13
Total	207,927.76	182,892.05



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Particulars	For the half year ended September 30, 2023			For the half year ended September 30, 2022		
	On financial assets measured at amortised cost	On financial assets measured classified at FVTPL	On financial assets measured classified at FVOCI	On financial assets measured at amortised cost	On financial assets measured classified at FVTPL	On financial assets measured classified at FVOCI
11 Interest income						
Interest income on portfolio loans	20,835.37	-	53,435.13	11,460.60	-	41,340.35
Interest income on deposits	2,854.45	-	-	2,089.93	-	-
Interest income on certificate of deposits, commercial papers, T-Bill and NCD's	-	261.26	-	-	123.24	-
Interest income on unwinding of assigned portfolio	1,889.76	-	-	757.64	-	-
Sub total	25,579.58	261.26	53,435.13	14,308.17	123.24	41,340.35
Total			79,275.97			55,771.76

Particulars	For the half year ended September 30, 2023	For the half year ended September 30, 2022
12 Fees and commission income		
Service fee and facilitation charges	1,056.80	715.50
Income from business correspondent operations*	9.48	339.57
Total	1,066.28	1,055.07

*Set out below is the disaggregation of the Company's revenue from contracts with customers and reconciliation to profit and loss account:

Particulars	For the half year ended September 30, 2023	For the half year ended September 30, 2022
Type of Services or service		
Income from business correspondent operations	9.48	339.57
Total revenue from contracts with customers	9.48	339.57
Geographical markets		
India	9.48	339.57
Outside India	-	-
Total revenue from contracts with customers	9.48	339.57
Timing of revenue recognition		
Services transferred at a point in time	-	-
Services transferred over time	9.48	339.57
Total revenue from contracts with customers	9.48	339.57
Particulars	As at September 30, 2023	As at March 31, 2023
Contract balances		
Trade receivable	7.18	40.97
Contract Assets	478.44	825.64
Contract Liabilities	-	-

Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

Particulars	For the half year ended September 30, 2023	For the half year ended September 30, 2022
Revenue as per Contract	9.48	339.57
Adjustments	-	-
Discount	-	-
Revenue from contract with customers	9.48	339.57

Particulars	For the half year ended September 30, 2023	For the half year ended September 30, 2022
13 Finance costs (on financial liabilities measured at amortised cost)		
Interest on borrowings (other than debt securities)	27,251.61	18,200.47
Interest on debt securities	6,630.94	6,529.70
Interest on subordinated liabilities	2,240.52	2,957.37
Interest expense for leasing arrangements	90.75	25.45
Other interest expenses	640.23	645.92
Bank charges	188.42	173.00
Total	37,042.47	28,531.91

Particulars	For the half year ended September 30, 2023		For the half year ended September 30, 2022	
	On financial assets measured at amortised cost	On financial assets measured at FVTOCI	On financial assets measured at amortised cost	On financial assets measured at FVTOCI
14 Impairment on financial instruments				
Loans written off	-	4,831.27	-	47,199.62
Impairment loss allowance on trade receivable and other receivable	(5.46)	-	(2.88)	-
Impairment loss allowance on loans	438.72	(825.91)	127.33	(13,817.13)
Total	433.26	4,005.36	124.45	33,382.49

Particulars	For the half year ended September 30, 2023	For the period ended September 30, 2022
15 Earnings per share (EPS)		
Net profit/(loss) after tax attributable to equity shareholders		
Net profit for the year for basic earnings per share	18,918.00	11,480.20
Dilutive impact of share warrants	-	-
Net profit for the year for diluted earnings per share	18,918.00	11,480.20
Nominal value of equity share (₹)	10	10
Weighted-average number of equity shares for basis earnings per share	91,798,876	75,086,252
Effect of dilution:		
Share warrants	-	5,128,205
Weighted-average number of equity shares used to compute diluted earnings per share	91,798,876	80,214,457
Basic earnings per share (₹)	20.61	15.29
Diluted earnings per share (₹)	20.61	14.31



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16 Financial instruments

A Financial assets and liabilities

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

Particulars	As at September 30, 2023	As at March 31, 2023
Financial assets measured at fair value		
Derivative financial instruments fair value through profit and loss	2,385.98	2,231.64
Loans measured at fair value through other comprehensive income	458,011.13	371,636.22
Investments* measured at		
(i) Fair value through other comprehensive income	5,021.25	5,936.39
(ii) Fair value through profit and loss	79,514.15	68,087.61
Financial assets measured at amortised cost		
Cash and cash equivalents	50,615.12	21,335.16
Bank balances other cash and cash equivalents	88,758.87	81,540.28
Trade receivables	363.18	241.12
Loans	203,179.45	196,784.97
Investments	280.59	127.81
Security deposits	221.90	208.43
Other financial assets	7,900.35	1,398.26
Total	896,251.97	749,527.89
Financial liabilities measured at amortised cost		
Trade payables	66.37	198.23
Other payables	1,966.50	1,149.80
Debt securities (including interest accrued)	84,315.40	112,080.86
Borrowings other than debt securities (including interest accrued)	568,841.11	402,079.98
Sub-ordinated liabilities (including interest accrued)	28,405.54	35,545.93
Other financial liabilities	4,796.77	20,584.05
Total	688,391.69	571,638.85

* During the previous year the company has changed its accounting policy for investment in subsidiaries from cost method as per Ind AS 27 'Separate Financial Statements' to fair value through profit and loss (FVTPL) as per Ind AS 109 'Financial Instruments'.

B Fair values hierarchy

Financial assets and financial liabilities are measured at fair value in the financial statements and are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

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).

Valuation technique used to determine fair value

The fair value of a financial instrument on initial recognition is normally the transaction price (fair value of the consideration given or received). Subsequent to initial recognition, the Company determines the fair value of financial instruments that are quoted in active markets using the quoted bid prices (financial assets held) or quoted ask prices (financial liabilities held) and using valuation techniques for other instruments. Valuation techniques include discounted cash flow method, market comparable method, recent transactions happened in the company and other valuation models. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

B.1 Financial assets and liabilities measured at fair value - recurring fair value measurements

As at September 30, 2023	Level 1	Level 2	Level 3	Total
Assets				
Loans at fair value through other comprehensive income				
Loans	-	-	458,011.13	458,011.13
Investments at fair value through other comprehensive income				
Security Receipts	-	-	5,021.25	5,021.25
Investments at fair value through profit and loss				
Certificate of deposits	-	4,998.11	-	4,998.11
Equity instruments	-	-	74,516.04	74,516.04
Derivative financial assets at fair value through profit and loss				
Currency and interest swaps	-	2,385.98	-	2,385.98

As at March 31, 2023	Level 1	Level 2	Level 3	Total
Assets				
Loans at fair value through other comprehensive income				
Loans	-	-	371,636.22	371,636.22
Investments at fair value through other comprehensive income				
Security Receipts	-	-	5,936.39	5,936.39
Investments at fair value through profit and loss				
Equity / Preferential instruments	-	-	68,087.10	68,087.10
Government securities	-	0.51	-	0.51
Derivative financial assets at fair value through profit and loss				
Currency and interest swaps	-	2,231.64	-	2,231.64



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Valuation process and technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- Eligible loans valued by discounting the aggregate future cash flows (both principal and interest cash flows) with discount rate that commensurate with the risk inherent in the expected cash flows for the remaining portfolio tenor.
- The use of net asset value for certificate of deposits and mutual funds on the basis of the statement received from investee party
- The value of derivative contracts are determined using mark to market value shared by contracting bank at balance sheet date.
- The use of net asset value for security receipts on the basis of the value declared by investee party
- The use of net asset value for government securities on the basis of the value declared by government.
- The use of valuation report obtained from registered valuer for investment in subsidiaries.

17 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 manages the risk basis policies approved by the board of directors. The board of directors provides 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	Risk management
Credit risk	Cash and cash equivalents (excluding cash on hand), other bank balances, investments, loans, trade receivables and other financial assets	Credit limit and ageing analysis	Highly rated bank deposits and diversification of asset base and collaterals taken for assets
Liquidity risk	Borrowings, debt securities, subordinated liabilities, trade payables and other financial liabilities	Cash flow forecasts	Committed borrowing and other credit facilities and sale of loan assets (whenever required) Maintaining high level of liquidity by investing in liquid instruments
Market risk - foreign exchange	Financial assets and liabilities not denominated in Indian rupee ₹	Cash flow forecasting	Currency and interest rate swaps
Market risk - interest rate	Change in interest rate of variable rates borrowings, debt securities and subordinated liabilities	Sensitivity analysis	Review of cost of funds and pricing disbursement
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

In order to avoid excessive concentration of risk, the Company's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

A) Credit risk

Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, other bank balances, investments, loan assets, trade receivables and other financial assets. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

a) Credit risk management

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. 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 has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties, including regular collateral revisions. 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.

- Low credit risk
- Moderate credit risk
- High credit risk

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

Nature	Assets covered	Basis of expected credit loss
Low credit risk	Cash and cash equivalents (excluding cash on hand), other bank balances, investments, loans, trade receivables and other financial assets	Life time expected credit loss or 12 month expected credit loss
Moderate credit risk	Loans	Life time expected credit loss or 12 month expected credit loss
High credit risk	Loans and other financial assets	Life time expected credit loss or fully provided for

Financial assets that expose the entity to credit risk*

Particulars	As at September 30, 2023	As at March 31, 2023
(i) Low credit risk		
Cash and cash equivalents	46,882.73	17,312.89
Bank balances other than cash and cash equivalents	88,758.87	81,540.28
Trade receivables	364.78	241.72
Loans	654,804.89	558,989.93
Investments	11,876.38	8,758.24
Security deposits	221.90	208.43
Other financial assets	7,795.18	1,293.39
(ii) Moderate credit risk		
Loans	2,815.92	2,018.35
(iii) High credit risk		
Loans	15,990.12	19,297.93
Other financial assets	140.27	140.27

* These represent gross carrying values of financial assets, without netting off impairment loss allowance.

Cash and cash equivalents and bank deposits

Credit risk related to cash and cash equivalents (excluding cash on hand) and bank deposits is managed by only placing highly rated deposits with banks and financial institutions across the country.



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Trade 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 measured at amortized cost

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

Loans

The Company closely monitors the credit-worthiness of the borrower's through internal systems and appraisal process to assess the credit risk and define credit limits of borrower, thereby, limiting the credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties. 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.

The major guidelines for selection of the client includes:

- The client's income and indebtedness levels must be within the prescribed guidelines of Reserve Bank of India
- The client's household must be engaged in some form of economic activity which ensures regular and assured income
- The client must possess the required Know Your Client (KYC) documents
- Client must agree to follow the rules and regulations of the organization
- Credit bureau check – In order to deal with the problem of over extension of credit and indebtedness of the client, the organisation undertakes credit bureau checks compulsorily for every client. The credit bureau check helps the organisation in identifying clients with poor repayment histories and multiple loans.

Category*	Inputs	Assumptions
Micro finance loans	1. Ageing of historical data 2. Latest available interest rate as discounting factor	1. Recoverability assumptions for stage 3 loan assets 2. Averaging of best case and worst case scenarios
Micro Small and Medium Enterprises loans		

* The Company has used forward looking information in form of real domestic demand, consumer price index, real GDP and agriculture growth rate for Micro finance loans and real domestic demand and consumer prices growth rate for Micro Small and Medium Enterprises loans.

Assets are written off when there is no reasonable expectation of recovery. 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.

b) Credit risk exposure

i) Expected credit losses for financial assets

As at September 30, 2023	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	46,882.73	-	46,882.73
Bank balances other than cash and cash equivalents	88,758.87	-	88,758.87
Trade receivables	364.78	1.60	363.18
Loans	673,610.93	12,420.35	661,190.58
Investments	11,876.38	1,576.43	10,299.95
Security deposits	221.90	-	221.90
Other financial assets	7,935.45	35.10	7,900.35

As at March 31, 2023	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	17,312.89	-	17,312.89
Bank balances other than cash and cash equivalents	81,540.28	-	81,540.28
Trade receivables	241.72	0.60	241.12
Loans	580,306.21	11,885.02	568,421.19
Investments	8,758.24	2,694.04	6,064.20
Security deposits	208.43	-	208.43
Other financial assets	1,433.66	35.40	1,398.26

c) Concentration of loans

Particulars	As at September 30, 2023	As at March 31, 2023
Micro finance loans	644,668.72	545,850.62
Micro, Small and Medium Enterprises (MSME)	35,041.99	39,297.58
Less: Unamortised processing fee	(6,099.78)	(4,841.99)
Total	673,610.93	580,306.21

d) Loans secured against collateral

Company's secured portfolio pertains to MSME loans, which are secured largely against property, plant and equipment, book debts, inventories, margin money and other working capital items. Company's collateral policy is consistent throughout the periods presented. The following table presents the maximum exposure to credit risk.

Particulars	Carrying value
As at September 30, 2023	
MSME loans secured by property, plant and equipment (including land, building and plots)	963.72
MSME loans secured by book debts, inventories, margin money and other working capital items	3,658.53
As at March 31, 2023	
MSME loans secured by property, plant and equipment (including land, building and plots)	962.26
MSME loans secured by book debts, inventories, margin money and other working capital items	3,082.64

Wherever required, the Company holds other types of collateral and credit enhancements, such as cross-collateralisation on other assets of the borrower, pledge of securities, guarantees of promoters/proprietors, hypothecation of receivables via escrow account, hypothecation of receivables in other bank accounts, etc.

The Company does not physically possess properties or other assets in its normal course of business but makes efforts toward recovery of outstanding amounts on delinquent loans. Once contractual loan repayments are overdue, the Company initiate the legal proceedings against the defaulted customers.



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B) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities (other than derivatives) 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 funding facilities:

As at September 30, 2023	Total facility	Drawn	Undrawn
- Expiring within one year	38,110.97	38,110.97	-
- Expiring beyond one year	257,337.00	249,837.00	7,500.00
Total	295,447.97	287,947.97	7,500.00

As at March 31, 2023	Total facility	Drawn	Undrawn
- Expiring within one year	55,350.00	55,350.00	-
- Expiring beyond one year	252,792.90	200,292.00	52,500.90
Total	308,142.90	255,642.00	52,500.90

C) Market risk

a) Foreign currency risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the functional currency of the Company. To mitigate the Company's exposure to foreign currency risk, non-rupee cash flows are monitored and derivative contracts are entered into in accordance with the Company's risk management policies. Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk arises majorly on account of foreign currency borrowings. The Company manages its foreign currency risk by entering in to cross currency swaps and forward contract. When a derivative is entered in to for the purpose of being as hedge, the Company negotiates the terms of those derivatives to match with the terms of the hedge exposure.

Foreign currency risk exposure:

The Company exposure to foreign currency risk at the end of the reporting period expressed in ₹, are as follows

Particulars	Currency	As at September 30, 2023	As at March 31, 2023
Financial liabilities			
External commercial borrowings (including interest accrued)	USD	68,397.96	41,691.24
(Gain)/loss - Derivative contract		(2,385.98)	(2,231.64)

Sensitivity

The sensitivity of profit and loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

Particulars	For the half year ended September 30, 2023	For the year ended March 31, 2023
USD sensitivity*		
₹/USD- increase by 5%	(3,419.90)	(2,084.56)
₹/USD- decrease by 5%	3,419.90	2,084.56

* Holding all other variables constant

b) Interest rate risk

i) Liabilities

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. As at September 30, 2023, the Company is exposed to changes in market interest rates through debt securities, other borrowings and subordinated liabilities at variable interest rates.

Interest rate risk exposure

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

Particulars	As at September 30, 2023	As at March 31, 2023
Variable rate liabilities		
Debt securities	-	-
Borrowings other than debt securities	259,397.64	129,004.52
Subordinated liabilities	20,000.00	20,000.00
Fixed rate liabilities		
Debt securities	81,922.60	109,144.08
Borrowings other than debt securities	307,090.85	271,473.18
Subordinated liabilities	7,989.13	15,126.25
Total	676,400.22	544,748.03

Sensitivity

The profits earned by the Company are sensitive to the change in interest rates on variable rate liabilities. The following table shows the sensitivity of profit/(loss) due to change in interest rates:

Particulars	For the half year ended September 30, 2023	For the year ended March 31, 2023
Interest sensitivity*		
Interest rates – increase by 0.50%	(544.48)	(620.15)
Interest rates – decrease by 0.50%	544.48	620.15

* Holding all other variables constant



SATIN CREDITCARE NETWORK LIMITED

Selected explanatory notes to the Unaudited Interim Condensed Standalone financial statements for the half year ended September 30, 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

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.

c) Price risk

i) Exposure

The Company's exposure price risk arises from investments held and classified in the balance sheet either as fair value through other comprehensive income or at fair value through profit and loss. To manage the price risk arising from investments, the Company diversifies its portfolio of assets.

ii) Sensitivity

The table below summarises the impact of increases/decreases of the index on the Company's equity and profit for the period:

Impact on profit before tax

Particulars	For the half year ended September 30, 2023	For the year ended March 31, 2023
Mutual fund, Certificate of deposits and commercial paper		
Net assets value – increase by 5%	249.91	-
Net assets value – decrease by 5%	(249.91)	-

18 Capital management

The primary objectives of the Company's capital management policy is to ensure that the Company complies with capital adequacy requirements required by the Reserve Bank of India and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

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
- to provide an adequate return to shareholders

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 sub-ordination 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 (including investments in Subsidiary companies). 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	As at September 30, 2023	As at March 31, 2023
Net debt*	542,188.06	446,831.33
Total equity	217,848.42	191,371.68
Net debt to equity ratio	2.49	2.33

* Net debt includes debt securities + borrowings other than debt securities + sub-ordinated liabilities + interest accrued - cash and cash equivalents - bank balances other than cash and cash equivalents.

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SATIN CREDITCARE NETWORK LIMITED

Selected explanatory notes to the Unaudited Interim Condensed Standalone financial statements for the half year ended September 30, 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

19 Related party disclosures

A List of related parties and disclosures

Subsidiaries:

Satin Housing Finance Limited

Satin Finserv Limited

Tanashna Financial Services Limited (merged with Satin Finserv Limited vide NCLT order dated March 1, 2023)

Key managerial personnel and their relatives:

Name of key managerial personnel	Designation
Mr. Harvinder Pal Singh	Chairman cum Managing Director
Mr. Jugal Kataria	Group Controller
Mr. Rakesh Sachdeva	Chief Financial Officer
Mr. Manoj Agrawal (w.e.f. August 11, 2023)	Deputy Chief Financial Officer
Mr. Vipul Sharma (w.e.f. May 12, 2021 till September 10, 2022)	Company Secretary and Compliance Officer
Mr. Vikas Gupta (w.e.f. October 8, 2022)	Company Secretary and Compliance Officer
Mr. Satvinder Singh	Non-Executive and Non-Independent Director
Mr. Sundeep Kumar Mehta	Non-Executive and Independent Director
Mr. Sanjay Kumar Bhatia	Non-Executive and Independent Director
Mr. Anil Kumar Kalra	Non-Executive and Independent Director
Mr. Chrisitan Bernhard Ramm (till March 1, 2023)	Nominee Director
Mr. Goh Colin	Non-Executive and Independent Director
Mrs. Sangeeta Khorana	Non-Executive and Independent Director

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

Satin Neo Dimensions Private Limited

Niryas Food Products Private Limited

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

Name of related party	Nature of transaction	For the half year ended	For the half year ended
		September 30, 2023	September 30, 2022
Mr. Harvinder Pal Singh	Remuneration	70.53	70.16
	Provident fund and others	7.20	7.20
	Personal guarantees given	24,200.00	5,000.00
	Personal guarantees withdrawn	18,140.37	6,909.40
Mr. Satvinder Singh	Personal guarantees withdrawn	-	10,000.00
Mr. Harvinder Pal Singh and Mr. Satvinder Singh	Personal guarantees given (jointly)	256,150.00	17,500.00
	Personal guarantees withdrawn (jointly)	171,187.72	43,153.85
Mr. Jugal Kataria	Remuneration	76.47	70.15
Mr. Rakesh Sachdeva	Remuneration	40.26	39.03
Mr. Vipul Sharma	Remuneration	-	8.52
Mr. Vikas Gupta	Remuneration	18.29	-
Mr. Manoj Agrawal	Remuneration	15.73	-
Mr. Satvinder Singh	Sitting fees	2.50	1.90
Mr. Sundeep Kumar Mehta	Sitting fees	2.90	2.30
Mrs. Sangeeta Khorana	Sitting fees	2.30	0.80
Mr. Goh Colin	Sitting fees	2.50	1.80
Mr. Anil Kumar Kalra	Sitting fees	1.95	1.60
Mr. Sanjay Kumar Bhatia	Sitting fees	2.85	1.80
Satin Housing Finance Limited	Interest income	-	30.99
	Inter corporate loan given	-	1,000.00
	Inter corporate loan received back	-	1,500.00
	Investment made	2,500.00	1,999.95
	Corporate Guarantee premium charged	-	43.72
	Rent received	17.80	16.18
Satin Finserv Limited	Interest income	222.82	254.79
	Inter corporate loan given	2,000.00	850.00
	Inter corporate loan received back	4,350.00	750.00
	Investment made	4,000.00	-
	Facilitation fee paid	6.00	6.00
	Received on account of managerial services	45.00	64.30
	Services received on account of sourcing and collections	800.35	595.48
	Rent received	24.75	23.32
Satin Neo Dimensions Private Limited	Interest income	4.99	8.64
	Inter corporate loan received back	19.02	15.41



SATIN CREDITCARE NETWORK LIMITED

Selected explanatory notes to the Unaudited Interim Condensed Standalone financial statements for the half year ended September 30, 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

C Key management personnel compensation includes the following expenses:

Particulars	For the half year ended	For the half year ended
	September 30, 2023	September 30, 2022
Short-term employee benefits	228.48	195.05
Post employment benefits	13.14	10.53
Other long-term benefits	2.66	7.02

D Outstanding balances with related parties in ordinary course of business:

Name of related party	Nature of balance	As at September 30, 2023	As at March 31, 2023
Mr. Satvinder Singh	Personal guarantees against borrowings [^]	-	-
Mr. Harvinder Pal Singh	Personal guarantees against borrowings [^]	17,737.15	11,677.52
Mr. Harvinder Pal Singh and Mr. Satvinder Singh	Personal guarantees (jointly) against borrowings [^]	194,847.51	109,885.23
Mr. Anil Kumar Kalra	Sitting fees	0.41	0.63
Mr. Goh Colin	Sitting fees	1.65	0.58
Mr. Sanjay Kumar Bhatia	Sitting fees	-	0.63
Mr. Satvinder Singh	Sitting fees	0.23	0.27
Mr. Sundeep Kumar Mehta	Sitting fees	0.23	0.27
Mrs. Sangeeta Khorana	Sitting fees	-	0.63
Satin Housing Finance Limited	Investments*	37,427.20	33,568.03
	Inter corporate loan	-	-
Satin Finserv Limited	Maximum outstanding against Inter corporate loan	-	2,000.00
	Investments*	36,978.84	34,407.88
	Inter corporate loan	1,000.00	3,350.00
Satin Neo Dimensions Private Limited	Maximum outstanding against Inter corporate loan	3,350.00	4,250.00
	Inter corporate loan	39.13	58.15
	Maximum outstanding against Inter corporate loan	58.15	90.78
	Interest accrued	0.63	0.97

[^]Personal guarantee balances outstanding indicates outstanding of borrowings against which guarantee was given.

*Outstanding balance of investment in subsidiaries includes fair valuation gain due to change in accounting policy in previous financial year.



SATIN CREDITCARE NETWORK LIMITED**Selected explanatory notes to the Unaudited Interim Condensed Standalone financial statements for the half year ended September 30, 2023**

(All amounts in ₹ Lakhs, unless otherwise stated)

20 Segment information

The Company operates in a single reportable segment i.e. financing which has similar risks and returns for the purpose of Ind AS 108 "Operating segments" 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 operates only in India which is considered as a single geographical segment.

21 Contingent liabilities and commitments:

(to the extent not provided for)

- i) The Company has received income tax notice under section 143(3) of the Income Tax Act 1961 dated April 05, 2021 for tax demand amounting to ₹ 194.63 lakhs on account of disallowance of expenses under section 43B and 36(1)(va) for assessment year 2018-19. In response to such notice, the company had filed rectification under section 154 and correspondingly received the order under said section dated March 12, 2023 from assessing office reducing the demand to ₹ 64.96 lakhs. The company has also filed an appeal with CIT (A) against such demand which is pending for hearing.
- ii) The Company has received income tax notice under section 143(3) of the Income Tax Act, 1961 dated September 24, 2022 for tax demand amounting to ₹ 67.35 lakhs on account of disallowance under section 14A for assessment year 2020-21. In response to such notice, the company has filed an appeal with CIT (A) against such demand which is pending for hearing.
- iii) The Company has received income tax notice under section 143(1) and 143(3) of the Income Tax Act, 1961 dated September 22, 2022 and December 20, 2022 respectively for tax demand amounting to ₹ 389.40 lakhs on account of disallowance under section 41 and section 14A for assessment year 2021-22. In response to such notice, the company had filed rectification under section 154 and correspondingly received the order under said section dated April 04, 2023 from assessing office reducing the demand by ₹ 295.72 lakhs resulted the demand reduced to ₹ 93.68 lakhs. The company has also filed an appeal with CIT (A) against such demand which is pending for hearing.

iv) Particulars	As at September 30, 2023	As at March 31, 2023
Company had issued corporate financial guarantee to National Housing Bank (NHB) against the funding obtained by its subsidiary Satin Housing Finance Limited.	7,500.00	7,500.00
Company had issued corporate financial guarantee to State Bank of India against the funding obtained by its subsidiary Satin Housing Finance Limited.	6,500.00	2,500.00
Company had issued corporate financial guarantee to LIC Housing Finance Limited against the funding obtained by its subsidiary Satin Housing Finance Limited.	2,500.00	2,500.00
Company has issued corporate financial guarantee to Catalyst Trusteeship Limited against the Non-convertible Debenture issued by its subsidiary Satin Finserv Limited.	-	500.00
Total	16,500.00	13,000.00

22 The secured non-convertible debentures issued by the Company are fully secured by first pari passu charge by mortgage of an immovable property of the Company and/or by hypothecation of book debts/loan receivables to the extent as stated in the information memorandum. Further, the Company has maintained asset cover as stated in the information memorandum which is sufficient to discharge the principal amount at all times for the non-convertible debt securities issued.

23 During the half year ended September 30, 2023, the Company has allotted following Non-Convertible Debentures on private placement basis -

- i) 1,500 Secured, Rated, Listed, Redeemable, Transferable, Non-Convertible Debentures of face value of ₹ 1,00,000 each aggregating to ₹ 1,500.00 lakhs on July 28, 2023.
- ii) 2,683 Unlisted, Rated, Secured, Redeemable, Non-Convertible Debentures of face value of ₹ 1,00,000 each aggregating to ₹ 2,683.00 lakhs on August 9, 2023.
- iii) 1,417 Unlisted, Rated, Secured, Redeemable, Non-Convertible Debentures of face value of ₹ 1,00,000 each aggregating to ₹ 1,417.00 lakhs on August 14, 2023.
- iv) 2,000 Secured, Rated, Listed, Redeemable, Transferable, Non-Convertible Debentures of face value of ₹ 1,00,000 each aggregating to ₹ 2,000.00 lakhs on August 21, 2023.

24 During the half year ended September 30, 2023, the Company has received an amount of ₹1,781.25 Lakhs and ₹4,999.99 Lakhs from Trishashma Holdings and Investments Private Limited (Entity belonging to Promoter Group) and Florintree Ventures LLP (Entity belonging to Non-Promoter Group) in pursuance to conversion of 29,23,076 and 82,05,128 fully convertible warrants, issued on preferential basis, into equivalent number of equity shares of ₹ 10 each, respectively.

25 During the half year ended September 30, 2023, the Company has made an investment of ₹ 3,999.99 Lakhs in Satin Finserv Limited (a wholly owned subsidiary of the Company) by subscribing 1,70,43,033 equity shares of Rs. 10 each at an issue price of ₹ 23.47/- per share (including premium of ₹ 13.47/-), offered on rights basis.

26 During the half year ended September 30, 2023, the Company has made an investment of ₹ 2,499.99 Lakhs in Satin Housing Finance Limited (a wholly owned subsidiary of the Company) by subscribing 81,16,880 equity shares of ₹ 10 each at an issue price of ₹ 30.80/- per share (including premium of ₹ 20.80/-), offered on rights basis.



SATIN CREDITCARE NETWORK LIMITED

Selected explanatory notes to the Unaudited Interim Condensed Standalone financial statements for the half year ended September 30, 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

27 During the half year ended September 30, 2023, the Company has been allotted 31,471 equity shares of ₹ 10 each by Jay Kay Financial Technologies Pvt. Ltd. (which constitutes of 12.20% of total share capital on fully diluted basis) at the revised issue price of ₹ 349.52/- per equity share pursuant to conversion of 21,845 Compulsory Convertible Preference shares.

28 Details of loans transferred / acquired during the half year ended September 30, 2023 under the RBI Master Direction on Transfer of Loan Exposures dated September 24, 2021 are given below:

(i) The company has transferred certain loans which are not in default through direct assignment, details of which are given below:

Particulars	Quarter ended September 30, 2023
i) Total number of loans assets assigned during the quarter	374,849
ii) Book value of loans assets assigned during the quarter (₹ in Lakhs)	117,532.39
iii) Sale consideration received during the quarter (₹ in Lakhs)	117,532.39
iv) Interest spread recognised in the statement of profit and loss during the quarter	11,308.68
v) Weighted average maturity of loans assets assigned (in Months)	18.49
vi) Weighted average holding period of loans assets assigned (in Months)	4.83
vii) Retention of beneficial economic interest on loans assets assigned (in%)	11.38%
viii) Coverage of tangible security coverage	Nil
ix) Rating-wise distribution of rated loans	Not Rated
x) Agreed to replace loans transferred to transferee(s) or pay damages arising out of	No

(ii) The company has not transferred any NPA loans.

(iii) The company has not acquired any loans through assignment.

(iv) The company has not acquired any stressed loans.

29 Details pursuant to RBI circular RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated August 06, 2020 issued for Resolution Framework for COVID-19-related Stress:

(₹ in Lakhs)

S. No.	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	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 the half-year
1	Personal Loans	-	-	-	-	-
2	Business Loan - JLG	5,167.99	1,169.08	-	2,959.15	1,039.76
3	Business Loan - Others	50.20	-	-	8.64	41.56
4	Corporate persons*	93.16	-	-	2.60	90.56
	Total	5,311.35	1,169.08	-	2,970.39	1,171.88

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

30 The Board of Directors in their meeting held on October 19, 2023 had approved the proposal for raising of funds for an aggregate amount of up to ₹ 3,000 million (Rupees three thousand million), in one or more tranches and/or one or more issuances, simultaneously or otherwise, including by way of private placement(s), qualified institutions placement(s) and/or any combination thereof or any other method as may be permitted in accordance with the applicable provisions of the Companies Act, 2013, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, (each as amended) and any other applicable law. Subsequently, the Shareholder of the Company in its extra ordinary general meeting held on November 27, 2023 had also approved the aforesaid proposal.

31 The Company in its extra ordinary general meeting held on November 27, 2023 has also increased the Authorised Share Capital of the Company to ₹200,00,00,000/- (Rupees Two Hundred Crore only) divided into 12,50,00,000 (Twelve Crore Fifty Lakh) Equity Shares of ₹10/- (Rupees Ten only) each and 7,50,00,000 (Seven Crore Fifty Lakh) Preference Shares of ₹10/- (Rupees Ten only) each by creation of additional 2,00,00,000 (Two Crore) Equity Shares and consequent alteration in Clause V of the Memorandum of Association of the Company.

32 After September 30, 2023, the Company has allotted following Non-Convertible Debentures on private placement basis –

i) 5,000 Secured, Rated, Listed, Redeemable, Transferable, Non-Convertible Debentures of face value of ₹ 1,00,000 each aggregating to ₹5,000.00 lakhs on October 13, 2023.

ii) 10,000 Secured, Rated, Listed, Redeemable, Transferable, Non-Convertible Debentures of face value of ₹ 1,00,000 each aggregating to ₹10,000.00 lakhs on November 1, 2023.

iii) 2,000 Secured, Rated, Listed, Redeemable, Transferable, Non-Convertible Debentures of face value of ₹ 1,00,000 each aggregating to ₹2,000.00 lakhs on November 7, 2023.

iv) 3,500 Secured, Rated, Listed, Redeemable, Transferable, Non-Convertible Debentures of face value of ₹ 1,00,000 each aggregating to ₹3,500.00 lakhs on November 24, 2023.

v) 45,650 Secured, Rated, Unlisted, Redeemable, Transferable, Non-Convertible Debentures of face value of ₹ 10,000 each aggregating to ₹4,565.00 lakhs on December 1, 2023.



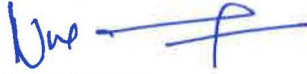
SATIN CREDITCARE NETWORK LIMITED

Selected explanatory notes to the Unaudited Interim Condensed Standalone financial statements for the half year ended September 30, 2023
(All amounts in ₹ Lakhs, unless otherwise stated)

33 There were no material events to be recognised or reported subsequent to September 30, 2023 but prior to the approval of the financial statements that are not already disclosed elsewhere in these financial statements.

34 Previous year/periods figures have been regrouped/rearranged to make them comparable with the current period classification.

For S S Kothari Mehta & Co
Chartered Accountants
Firm's Registration No. 000756N



Naveen Aggarwal
Partner
Membership Number: 094380



Place : Gurugram
Date : December 14, 2023

For and on behalf of the Board of Directors
Satin Creditcare Network Limited

Harvinder Pal Singh
(Chairman cum Managing Director)
DIN: 00333754



Place : Gurugram
Date : December 14, 2023



Rakesh Sachdeva
(Chief Financial Officer)



Report on Review of the Unaudited Interim Condensed Consolidated Financial Statements

To

The Board of Directors,

Satin Creditcare Network Limited,
Plot No. 492, Udyog Vihar, Phase – III,
Gurugram, Haryana – 122016, India.

1. We have reviewed the accompanying Unaudited Interim Condensed Consolidated Financial Statements of Satin Creditcare Network Limited (“the Company or Parent”) and its subsidiaries (together referred to as the “the Group”), which comprise the Unaudited Interim Condensed Consolidated Balance Sheet as at September 30, 2023 and the Unaudited Interim Condensed Consolidated Statement of Profit and Loss, including other comprehensive income, Unaudited Interim Condensed Consolidated Cash Flow Statement and the Unaudited Interim Condensed Consolidated Statement of Changes in Equity for the period April 01, 2023 to September 30, 2023 then ended and a summary of selected explanatory notes (including the comparative financial information as at March 31, 2023 and for the period April 01, 2022 to September 30, 2022) (together hereinafter referred to as the “Unaudited Interim Condensed Consolidated Financial Statements”/ Statement). The Unaudited Interim Condensed Consolidated Financial Statements have been prepared by the Company solely in connection with the proposed issuance of equity shares of the Company in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended and other applicable laws.

Management’s Responsibilities for the Unaudited Interim Condensed Consolidated Financial Statements

2. These Unaudited Interim Condensed Consolidated Financial Statements, being the responsibility of the Parent Company’s Management, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 “Interim Financial Reporting” (“Ind AS 34”), prescribed under Section 133 of the Companies Act, 2013 as amended (the Act), read with relevant rules issued thereunder and other accounting principles generally accepted in India and approved by the Parent Company’s Board of Directors. Our responsibility is to express a conclusion on the Unaudited Interim Condensed Consolidated Financial Statements based on our review.

Auditor’s Responsibilities

3. We conducted our review of the Unaudited Interim Condensed Consolidated Financial Statements in accordance with the Standard on Review Engagements (SRE) 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”, issued by the Institute of Chartered Accountants of India (“the ICAI”). This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

4. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

5. Based on our review conducted and upon considerations of report of other auditor read with para 7 below, nothing has come to our attention that causes us to believe that the accompanying Unaudited Interim Condensed Consolidated Financial Statements has not been prepared, in all material respects, in accordance with requirements of Ind AS 34 "Interim Financial Reporting".

Other Matters

6. The statement includes the unaudited interim condensed financial statements of the following two wholly owned subsidiaries:
 - a. Satin Housing Finance Limited;
 - b. Satin Finserv Limited.
7. We did not review the unaudited interim condensed financial statements of the above 2 (two) wholly owned subsidiaries whose unaudited interim condensed financial statements reflects total asset of Rs. 92,032.83 lakhs as at September 30, 2023; total revenue of Rs. 9,894.35 lakhs, net profit/ (loss) after tax of Rs. 509.99 lakhs, total comprehensive income of Rs. 699.88 lakhs for the half year ended September 30, 2023, and net cash outflow of Rs. 495.21 lakhs for the half year ended September 30, 2023, as considered in these Unaudited Interim Condensed Consolidated Financial Statements. The unaudited interim financial statements of these wholly owned subsidiaries are reviewed by their independent auditors whose review report have been furnished to us by the management and our conclusion on the Unaudited Interim Condensed Consolidated Financial Statements, in so far as it relates to the amounts and disclosure in respect of these subsidiaries are based solely on the report of such auditors.

Our conclusion on the Statement is not modified in respect of above matters.

Restriction on Use

8. This report is addressed to the Board of Directors of the Company and has been prepared solely for the purposes of submission to BSE Limited, National Stock Exchange of India Limited ("**Stock Exchanges**") or any other authority as may be required under applicable laws and also for including it in the preliminary placement document and placement document, to be filed by the Company with the Securities and Exchange Board of India, Stock Exchanges and the Registrar of the Companies, National Capital Territory of Delhi and Haryana in Delhi, in connection with the proposed issuance of the Securities of the Company. This report should not be otherwise used or shown to or distributed or otherwise made available to any party or used for any other purpose. Accordingly, we do not



**SS KOTHARI MEHTA
& COMPANY**
CHARTERED ACCOUNTANTS

accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come.

For S S Kothari Mehta & Co.
Chartered Accountants
Firm's Registration No. 000756N

NAVEEN
AGGARWAL

Digitally signed by NAVEEN AGGARWAL
DN: cn=NAVEEN AGGARWAL, c=IN, o=GHAZIABAD
c=Personal e=N.AGGARWAL@SSKMIN.COM
Reason: I am the author of this document
Location:
Date: 2023.12.14 10:22+05:30



Naveen Aggarwal
Partner
Membership No. 094380
UDIN: 23094380BGUNGB7469

Place: Gurugram
Date: December 14, 2023

SATIN CREDITCARE NETWORK LIMITED

Unaudited Interim Condensed Consolidated Balance Sheet as at September 30, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

	Notes	As at September 30, 2023	As at March 31, 2023
ASSETS			
Financial assets			
Cash and cash equivalents	3	55,545.81	25,770.63
Bank balances other than cash and cash equivalents	4	94,828.91	85,665.12
Derivative financial instruments		2,385.98	2,231.64
Trade receivables		443.04	539.45
Loans	5	736,090.80	632,885.67
Investments		10,409.95	6,175.90
Other financial assets		9,212.23	2,312.80
		<u>908,916.72</u>	<u>755,581.21</u>
Non-financial assets			
Current tax assets (net)		6,541.61	4,327.55
Deferred tax assets (net)		2,712.74	8,857.48
Investment Property		648.04	664.26
Property, plant and equipment		8,916.56	8,681.88
Goodwill		3,370.66	3,370.66
Other intangible assets		145.20	179.17
Other non-financial assets		3,798.87	3,294.60
		<u>26,133.68</u>	<u>29,375.60</u>
TOTAL ASSETS		<u>935,050.40</u>	<u>784,956.81</u>
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Payables			
Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises		7.10	10.42
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		238.58	497.45
Other payables			
(i) total outstanding dues of micro enterprises and small enterprises		320.20	23.87
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		2,022.74	1,527.78
Debt securities	6	81,922.60	109,643.58
Borrowings (other than debt securities)	7	616,378.08	444,358.26
Subordinated liabilities	8	29,986.26	37,122.90
Other financial liabilities		11,797.31	27,071.94
		<u>742,672.87</u>	<u>620,256.20</u>
Non-financial liabilities			
Current tax liabilities (net)			
Provisions		1,045.77	934.35
Other non-financial liabilities		1,312.47	953.82
		<u>2,358.24</u>	<u>1,888.17</u>
EQUITY			
Equity share capital	9	9,920.66	8,479.63
Other equity	10	180,098.63	154,332.81
		<u>190,019.29</u>	<u>162,812.44</u>
TOTAL LIABILITIES AND EQUITY		<u>935,050.40</u>	<u>784,956.81</u>

Group overview and Basis of preparation

This consolidated Balance Sheet referred to in our report of even date.

1-2

For S S Kothari Mehta & Co
Chartered Accountants
Firm's Registration No. 000756N



Naveen Aggarwal
Partner
Membership Number: 094380



Place : Gurugram
Date : December 14, 2023

For and on behalf of the Board of Directors
Satin Creditcare Network Limited



Harvinder Pal Singh
(Chairman cum Managing Director)
DIN: 00333754

Place : Gurugram
Date : December 14, 2023



Rakesh Sachdeva
(Chief Financial Officer)

SATIN CREDITCARE NETWORK LIMITED

Unaudited Interim Condensed Consolidated Statement of Profit and Loss for the half year ended September 30, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

	Notes	For the half year ended September 30, 2023	For the half year ended September 30, 2022
I. Income			
Revenue from operations			
Interest income	11	85,352.62	59,697.82
Dividend income		-	0.17
Rental income		20.30	4.04
Fees and commission income	12	3,061.19	4,003.58
Net gain on fair value changes		372.85	1,409.48
Net gain on derecognition of financial instruments		10,416.31	5,291.19
Other operating income		287.32	37.71
Total Revenue from operations		99,510.59	70,443.99
Other income		225.58	152.90
Total Income		99,736.17	70,596.89
II. Expenses			
Finance costs	13	40,216.83	30,371.49
Impairment on financial instruments	14	4,657.46	33,747.25
Employee benefit expenses		21,474.87	19,365.99
Depreciation and amortisation expense		1,042.24	668.01
Other expenses		6,281.83	6,968.14
Total		73,673.23	91,120.88
Profit before tax		26,062.94	(20,523.99)
Tax expense:			
Current tax		106.86	130.44
Deferred tax charge / (credit)		6,491.12	(5,404.39)
Total tax expenses		6,597.98	(5,273.95)
Profit after tax		19,464.96	(15,250.04)
Other comprehensive income			
Items that will not be reclassified to profit and loss		(1,910.77)	(72.93)
Income tax relating to items that will not be reclassified to profit and loss		480.20	19.22
	A	(1,430.57)	(53.71)
Items that will be reclassified to profit and loss		531.81	176.15
Income tax relating to items that will be reclassified to profit and loss		(133.84)	(44.40)
	B	397.97	131.75
Other comprehensive income	A+B	(1,032.60)	78.04
Total comprehensive income		18,432.36	(15,172.00)



SATIN CREDITCARE NETWORK LIMITED

Unaudited Interim Condensed Consolidated Statement of Profit and Loss for the half year ended September 30, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

		For the half year ended September 30, 2023	For the half year ended September 30, 2022
Net profit after tax attributable to			
Owners of the Parent Company		19,464.96	(15,250.04)
Non-controlling interests		-	-
Other comprehensive income attributable to			
Owners of the Parent Company		(1,032.60)	78.04
Non-controlling interests		-	-
Total comprehensive income attributable to			
Owners of the Parent Company		18,432.36	(15,172.00)
Non-controlling interests		-	-
Earnings per equity share (face value of ₹ 10 per equity share)			
Basic (₹)	15	21.20	(20.31)
Diluted (₹)		21.20	(20.31)
Group overview and Basis of preparation	1-2		
This consolidated Statement of Profit and Loss referred to in our report of even date.			

For S S Kothari Mehta & Co
Chartered Accountants
Firm's Registration No. 000756N

For and on behalf of the Board of Directors
Satin Creditcare Network Limited



Naveen Aggarwal
Partner
Membership Number: 094380



Harvinder Pal Singh
(Chairman cum Managing Director)
DIN: 00333754



Rakesh Sachdeva
(Chief Financial Officer)



Place : Gurugram
Date : December 14, 2023

Place : Gurugram
Date : December 14, 2023

SATIN CREDITCARE NETWORK LIMITED
Unaudited Interim Condensed Consolidated cash flow statement for the half year ended September 30, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

	For the half year ended September 30, 2023	For the half year ended September 30, 2022
A Cash flow from operating activities		
Profit / (loss) before tax	26,062.94	(20,523.99)
Adjustments for:		
Depreciation and amortisation	548.88	546.00
Depreciation of right-of-use assets	493.36	122.01
Net loss on derecognition of property, plant and equipment	13.55	6.73
Fair value gain on mutual funds	(219.69)	(209.05)
Unrealised gain on fair value changes of derivatives and investments	(153.16)	(1,200.43)
Property, plant and equipment written off	-	1.30
Impairment on financial instruments	4,657.46	33,747.25
Dividend income	-	(0.17)
Gain on sale of loan portfolio through assignment	(10,416.31)	(5,291.19)
First loss default guarantee (reversal) / expenses	(186.61)	461.89
Effective interest rate adjustment for financial instruments	939.83	912.32
Interest expense for leasing arrangements	110.42	36.30
Net gain on termination of leases	(9.26)	-
Unrealised exchange fluctuation loss (net)	434.73	498.49
Operating profit before working capital changes	22,276.14	9,107.46
Movement in working capital		
Decrease in trade receivables	96.41	44.61
Increase in loans	(95,343.50)	(33,593.24)
(Increase)/decrease in fixed deposits	(9,163.79)	1,795.48
(Increase)/decrease in other financial assets	(6,893.97)	653.36
Increase in other non-financial assets	(504.27)	(344.09)
Increase/(decrease) in trade and other payables	529.10	(327.78)
(Decrease)/increase in other financial liabilities	(15,094.77)	7,621.37
(Increase)/decrease in provisions	78.21	(77.27)
(Increase)/decrease in other non-financial liabilities	358.65	(96.41)
Cash used in from operating activities post working capital changes	(103,661.79)	(15,216.51)
Income taxes paid (net)	(2,320.93)	(2,021.53)
Net cash used in operating activities (A)	(105,982.72)	(17,238.04)
B Cash flows from investing activities		
Purchase of property, plant and equipment	(530.28)	(602.67)
Proceeds from sale of property, plant and equipment	65.13	15.15
Dividend income	-	0.17
Purchase of investments	(523,818.10)	(272,528.17)
Sale of investments	516,348.56	265,652.34
Net cash used in investing activities (B)	(7,934.69)	(7,463.18)
C Cash flows from financing activities		
Proceeds from issue of share capital and share warrants (including premium and net of share issue expenses)	8,781.24	2,500.00
Proceeds from debt securities	19,386.62	9,483.23
Repayment of debt securities	(47,323.82)	(25,500.70)
Proceeds from borrowings other than debt securities	370,699.22	182,337.96
Repayment of borrowings other than debt securities	(200,114.44)	(197,288.67)
Lease payments	(583.84)	(162.52)
Repayment of subordinated liabilities	(7,152.39)	(7,684.89)
Net cash generated from/(used in) financing activities (C)	143,692.59	(36,315.59)
Net decrease in cash and cash equivalents (A+B+C)	29,775.18	(61,016.81)
Cash and cash equivalents at the beginning of the year	25,770.63	89,707.76
Cash and cash equivalents at the end of the period	55,545.81	28,690.95



SATIN CREDITCARE NETWORK LIMITED

Unaudited Interim Condensed Consolidated cash flow statement for the half year ended September 30, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Notes:

Cash and cash equivalents

Less: Overdraft facility against term deposits

For the half year ended September 30, 2023	For the half year ended September 30, 2022
55,545.81	64,474.59
-	(35,783.64)
<u>55,545.81</u>	<u>28,690.95</u>

Group overview and Basis of preparation

1-2

This Statement of Cash Flow referred to in our report of even date.

For S S Kothari Mehta & Co

Chartered Accountants

Firm's Registration No. 000756N

For and on behalf of the Board of Directors

Satin Creditcare Network Limited



Naveen Aggarwal

Partner

Membership Number: 094380

Haryinder Pal Singh
(Chairman cum Managing Director)
DIN: 00333754


Rakesh Sachdeva
(Chief Financial Officer)

Place : Gurugram
Date : December 14, 2023

Place : Gurugram
Date : December 14, 2023



SATIN CREDITCARE NETWORK LIMITED
Unaudited Interim Condensed Consolidated Statement of changes in equity for the half year ended September 30, 2023
(All amounts in ₹ Lakhs, unless otherwise stated)

A. Equity share capital (Refer note 9)

September 30, 2023

Particulars	Balance as at April 1, 2023	Changes in Equity Share Capital due to prior period errors	Restated balance at April 1, 2023	Changes during the half year	Balance as at September 30, 2023
Equity share capital	8,479.63	-	8,479.63	1,441.03	9,920.66

March 31, 2023

Particulars	Balance as at April 1, 2022	Changes in Equity Share Capital due to prior period errors	Restated balance at April 1, 2022	Changes during the year	Balance as at March 31, 2023
Equity share capital	7,459.12	-	7,459.12	1,020.51	8,479.63

B. Other equity (Refer note 10)

Particulars	Reserves and Surplus					Equity instruments through other comprehensive income	Change in fair value of loan assets through other comprehensive income	Money received against share warrants	Cash flow hedge reserve	Total attributable to equity holders of the parent	Total non-controlling interest	Total
	Statutory reserve fund	Securities premium	General reserve	Capital redemption reserve	Retained earnings							
Balance as at April 1, 2022	11,003.98	106,455.16	29.94	2,777.00	24,864.90	(5.00)	579.68	5,000.00	20.56	150,726.22	-	150,726.22
Profit for the year	-	-	-	-	481.31	-	-	-	-	481.31	-	481.31
Other comprehensive income (net of tax)	-	-	-	-	(35.57)	(2,044.12)	33.57	-	(20.56)	(2,066.68)	-	(2,066.68)
Issue of equity shares (net of share issue expenses)	-	7,271.15	-	-	-	-	-	(8,291.67)	-	(1,020.52)	-	(1,020.52)
Issue of share warrants	-	-	-	-	-	-	-	6,218.75	-	6,218.75	-	6,218.75
Transfer to statutory reserves	5,569.32	-	-	-	(5,569.32)	-	-	-	-	-	-	-
Share issue expense of subsidiary	-	-	-	-	(6.27)	-	-	-	-	(6.27)	-	(6.27)
Balance as at March 31, 2023	16,573.30	113,726.31	29.94	2,777.00	19,735.05	(2,049.12)	613.25	2,927.08	-	154,332.81	-	154,332.81
Profit for the half year	-	-	-	-	19,464.97	-	-	-	-	19,464.97	-	19,464.97
Other comprehensive income (net of tax)	-	-	-	-	(25.55)	(1,405.02)	397.97	-	-	(1,032.60)	-	(1,032.60)
Issue of equity shares (net of share issue expenses)	-	10,267.29	-	-	-	-	-	(11,708.32)	-	(1,441.03)	-	(1,441.03)
Issue of share warrants	-	-	-	-	-	-	-	8,781.24	-	8,781.24	-	8,781.24
Transfer to statutory reserves	3,840.18	-	-	-	(3,840.18)	-	-	-	-	-	-	-
Share issue expense of subsidiary	-	-	-	-	(6.76)	-	-	-	-	(6.76)	-	(6.76)
Balance as at September 30, 2023	20,413.48	123,993.60	29.94	2,777.00	35,327.53	(3,454.14)	1,011.22	-	-	180,098.63	-	180,098.63

Group overview and Basis of preparation
This Statement of Changes in Equity referred to in our report of even date

For S S Kothari Mehta & Co
Chartered Accountants
Firm's Registration No. 000756N

Naveen

Naveen Aggarwal
Partner
Membership Number: 094380



Place : Gurugram
Date : December 14, 2023

For and on behalf of the Board of Directors
Satin Creditcare Network Limited



Harsiminder Pal Singh
(Chairman cum Managing Director)
DIN: 00333754

Place : Gurugram
Date : December 14, 2023



Rakesh Sachdeva
(Chief Financial Officer)

SATIN CREDITCARE NETWORK LIMITED

Selected explanatory notes to the Unaudited Interim Condensed Consolidated financial statements for the half year ended September 30, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

1 Group overview

Satin Creditcare Network Limited ("the Parent Company") is a public limited company and incorporated under the provisions of Companies Act. The Parent Company is a non-deposit accepting Non-Banking Financial Company ('NBFC-ND') and is registered as a Non-Banking Financial Company – Micro Finance Institution ('NBFC-MFI') with the Reserve Bank of India ("RBI") in November 2013. The Parent Company is engaged primarily in providing micro finance services to women in the rural areas of India who are enrolled as members and organized as Joint Liability Groups ('JLG'). The Parent Company is domiciled in India and its registered office is situated at 5th Floor, Kundan Bhawan, Azadpur Commercial Complex, New Delhi - 110033

The Parent Company owns 100% equity shares of Satin Housing Finance Limited ("SHFL"). The SHFL is engaged in the business of providing long term finance to individuals, companies, corporations, societies or association of persons for purchase/ construction/repair and renovation of new/existing flats/houses for residential purposes.

The Parent Company owns 100% equity shares of 100% stake in equity shares in Satin Finserv Limited ("SFL"). The SFL is engaged in the business of providing various financial services to small entrepreneurs, MSMEs, Indian consumers and other eligible consumers as permissible under applicable laws.

2 Basis of preparation

These Unaudited Interim Condensed Consolidated Financial Statements of Satin Creditcare Network Limited ("the Parent Company") and its subsidiaries (together referred to as the "the Group"), which comprise the Unaudited Interim Condensed Consolidated Balance Sheet as at September 30, 2023 and the Unaudited Interim Condensed Consolidated Statement of Profit and Loss, including other comprehensive income, Unaudited Interim Condensed Consolidated Cash Flow Statement and the Unaudited Interim Condensed Consolidated Statement of Changes in Equity for the period April 01, 2023 to September 30, 2023 then ended and a summary of selected explanatory notes (including the comparative financial information as at March 31, 2023 and for the period April 01, 2022 to September 30, 2022) (together hereinafter referred to as the "Unaudited Interim Condensed Consolidated Financial Statements"/ Statement) have been prepared in accordance with the principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India.

The accounting policies and critical accounting estimates & judgements followed in the preparation of the Unaudited Interim Condensed consolidated Financial Statements are consistent with those followed in the preparation of financial statements for the year ended March 31, 2023.

The Unaudited Interim Condensed consolidated Financial Statements as at September 30, 2023 does not include all the information and disclosures Statements which were prepared as at March 31, 2023. However, selected explanatory notes are included to explain events and transactions financial position and performance since the last Audited Financial Statements.

These Unaudited Interim Condensed consolidated Financial Statements have been prepared for the purpose of inclusion in the Preliminary Placement Document and the Placement Document to be filed with the Securities and Exchange Board of India ("SEBI"), in connection with the proposed issuance of the equity shares of the Company in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended and other applicable laws.

These Unaudited Interim Condensed Consolidated Financial Statements as at and for the half year ended September 30, 2023 along with the comparatives as mentioned above are approved and adopted by the Fund raising Committee of the Parent Company in their meeting held on December 14, 2023.



SATIN CREDITCARE NETWORK LIMITED

Selected explanatory notes to the Unaudited Interim Condensed Consolidated financial statements for the half year ended September 30, 2023
(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at September 30, 2023	As at March 31, 2023
3 Cash and cash equivalents		
Cash on hand	4,412.13	4,701.05
Balances with banks and financial institutions		
- Balance with banks in current accounts*	41,876.98	17,511.53
- Deposits for original maturity of less than 3 months	9,256.70	3,558.05
Total	55,545.81	25,770.63

*Balance in current accounts includes balance of ₹ 2.15 lakhs (March 31, 2023 : ₹ 2.15 lakhs) which is earmarked for unpaid dividend.

Particulars	As at September 30, 2023	As at March 31, 2023
4 Bank balances other than cash and cash equivalents		
Deposits for remaining maturity of more than 3 months and upto 12 months	8,064.40	4,264.01
Deposits with remaining maturity more than 12 months	759.80	935.46
Balance with banks and financial institutions to the extent held as margin money deposits against borrowings and guarantees	86,004.71	80,465.65
Total	94,828.91	85,665.12

Particulars	As at September 30, 2023		As at March 31, 2023	
	At fair value through other comprehensive income	At amortised cost	At fair value through other comprehensive income	At amortised cost
5 Loans				
Portfolio loans				
Secured	-	27,309.19	-	22,179.39
Unsecured	468,147.08	204,102.36	381,675.56	195,804.28
Housing loans				
Secured	50,113.58	-	46,149.76	-
	518,260.66	231,411.55	427,825.32	217,983.67
Less: Impairment loss allowance	(10,637.09)	(2,944.32)	(10,500.96)	(2,422.36)
Sub-total	507,623.57	228,467.23	417,324.36	215,561.31
Total loans		736,090.80		632,885.67

Particulars	As at September 30, 2023	As at March 31, 2023
(i) Secured by tangible assets (property, plant and equipment including land and building)	71,547.85	63,945.82
(ii) Secured by book debts, inventories, margin money and other working capital items	4,348.05	3,082.64
(iii) Unsecured	660,194.89	565,857.21
Total	736,090.80	632,885.67

Loans in India		
(i) Public sector	-	-
(ii) Others	736,090.80	632,885.67
Total	736,090.80	632,885.67

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

Particulars	As at September 30, 2023	As at March 31, 2023
6 Debt securities (at amortised cost)		
Secured Non-convertible debentures	76,225.00	103,946.27
Unsecured Non-convertible debentures	5,697.60	5,697.31
Total	81,922.60	109,643.58
Debt securities in India	81,922.60	109,643.58
Debt securities outside India	-	-
Total	81,922.60	109,643.58

Secured non-convertible debentures are redeemable as per maturity cycle till August 13, 2027 and are carrying interest rate ranging from 10.50% to 13.01% p.a.
Unsecured non-convertible debenture is redeemable as per maturity cycle till February 28, 2028 and is carrying interest rate of 12.16% p.a.



SATIN CREDITCARE NETWORK LIMITED

Selected explanatory notes to the Unaudited Interim Condensed Consolidated financial statements for the half year ended September 30, 2023
(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at September 30, 2023	As at March 31, 2023
7 Borrowings (other than debt securities) (at amortised cost)		
Term loans		
From banks		
Secured*	253,253.24	185,152.59
From other parties		
Secured [†]	167,099.20	102,332.63
External commercial borrowings		
Secured	54,591.82	21,285.26
Unsecured	12,373.55	19,613.23
Commercial paper (unsecured)	9,874.38	-
Liability against securitised assets (secured)	117,483.21	114,564.33
Liability against leased assets (unsecured)	1,702.68	1,410.22
Total	616,378.08	444,358.26
Borrowings in India	549,412.71	403,459.77
Borrowings outside India	66,965.37	40,898.49
Total	616,378.08	444,358.26

*Includes amount guaranteed by directors in their personal capacity of ₹ 1,28,506.11 lakhs (March 31, 2023 : ₹ 83,364.45 lakhs)

[†]Includes amount guaranteed by directors in their personal capacity of ₹ 1,06,663.00 lakhs (March 31, 2023 : ₹ 54,652.48 lakhs)

Particulars	As at September 30, 2023	As at March 31, 2023
8 Sub-ordinated liabilities (at amortised cost)		
Non-convertible debentures	9,986.26	14,622.90
Term loans from banks	20,000.00	22,500.00
Total	29,986.26	37,122.90
Sub-ordinated liabilities in India	29,986.26	37,122.90
Sub-ordinated liabilities outside India	-	-
Total	29,986.26	37,122.90

Unsecured non-convertible debentures are redeemable as per maturity cycle till April 24, 2027 and are carrying interest rate ranging from 13.14% to 15.50% p.a.



SATIN CREDITCARE NETWORK LIMITED

Selected explanatory notes to the Unaudited Interim Condensed Consolidated financial statements for the half year ended September 30, 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

	As at September 30, 2023		As at March 31, 2023	
	Number	Amount	Number	Amount
9 Equity share capital				
A Authorised				
Equity share capital of face value of ₹ 10 each				
At the beginning of the period	105,000,000	10,500.00	105,000,000	10,500.00
Additions during the period	-	-	-	-
	105,000,000	10,500.00	105,000,000	10,500.00
B Issued and subscribed				
Equity share capital of face value of ₹ 10 each				
At the beginning of the period	85,349,021	8,534.90	75,143,893	7,514.39
Additions during the period	14,410,256	1,441.03	10,205,128	1,020.51
	99,759,277	9,975.93	85,349,021	8,534.90
C Issued and Paid-up				
Fully paid-up				
Equity share capital of face value of ₹ 10 each				
At the beginning of the period	85,224,125	8,522.41	75,018,997	7,501.90
Additions during the period	14,410,256	1,441.03	10,205,128	1,020.51
	99,634,381	9,963.44	85,224,125	8,522.41
Less: Amount recoverable from Satin Employees Welfare Trust (Equity shares of ₹ 10/- each allotted to the Satin Employees Welfare Trust)	(482,946)	(48.29)	(482,946)	(48.29)
Add: Forfeited shares (amount originally paid on 1,24,896 equity shares (March 31, 2023: 1,24,896 equity shares)	-	5.51	-	5.51
	99,151,435	9,920.66	84,741,179	8,479.63
D Reconciliation of number of equity shares outstanding at the beginning and at the end of the period				
Balance at the beginning of the period	85,224,125	8,522.41	75,018,997	7,501.90
Add: Issued during the period	14,410,256	1,441.03	10,205,128	1,020.51
	99,634,381	9,963.44	85,224,125	8,522.41
E Reconciliation of number of equity shares issued to Satin Employees Welfare Trust outstanding at the beginning and at the end of the period				
Balance at the beginning of the period	482,946	48.29	482,946	48.29
	482,946	48.29	482,946	48.29

F Rights, preferences and restrictions

The Parent 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 fully paid 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. In the event of liquidation of the Parent Company, the holders of equity share will be entitled to receive remaining assets of the Parent Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders or in case of partly paid shares the paid-up amount.

G Details of shareholder holding more than 5% share capital:

Name of shareholder	As at September 30, 2023		As at March 31, 2023	
	Number	%	Number	%
Trishashna Holdings & Investments Private Limited (THIPL)	37,784,820	37.92%	31,579,692	37.05%
Florintree Ventures LLP	12,307,692	12.35%	-	0.00%
Nordic Microfinance Initiative Fund III KS	-	0.00%	4,663,136	5.47%

H Aggregate number of shares issued for consideration other than cash during the last five years

On June 27, 2019, the Parent Company has allotted 1,343,283 equity shares of ₹ 10 each on conversion of 1,343,283, Optionally Convertible, Cumulative, Redeemable Preference Shares ("OCCRPS") of face value of ₹ 10 each fully paid-up to IndusInd Bank Limited (entities belonging to non-promoter group)

I Shareholdings of Promoters

Promoter Name	As at September 30, 2023		As at March 31, 2023		% Change during the year
	No. of Shares	% of Total Shares	No. of Shares	% of Total Shares	
Mrs. Anureet HP Singh	726,148	0.73%	726,148	0.85%	(0.12%)
Mr. Harbans Singh (deceased)	406,402	0.41%	406,402	0.48%	(0.07%)
Mr. Satvinder Singh	385,703	0.39%	385,703	0.45%	(0.06%)
Mrs. Neeti Singh	204,092	0.20%	204,092	0.24%	(0.04%)
Trishashna Holdings & Investments Private Limited	37,784,820	37.92%	31,579,692	37.05%	0.87%
Wisteria Holdings & Investments Private Limited	322,262	0.32%	322,262	0.38%	(0.06%)
Total	39,829,427	39.97%	33,624,299	39.45%	0.52%

10 Other equity

Particulars	As at		As at	
	September 30, 2023	March 31, 2023	September 30, 2023	March 31, 2023
Capital redemption reserve		2,777.00		2,777.00
Statutory reserve		20,413.48		16,573.30
General reserve		29.94		29.94
Securities premium		123,993.60		113,726.31
Retained earnings		35,327.53		19,735.05
Money received against share warrants		-		2,927.08
Other comprehensive income:				
Equity instruments through other comprehensive income		(3,454.14)		(2,049.12)
Changes in fair value of loan assets		1,011.22		613.25
Total		180,098.63		154,332.81



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Particulars	For the half year ended September 30, 2023			For the half year ended September 30, 2022		
	On financial assets measured at amortised cost	On financial assets measured classified at FVTPL	On financial assets measured classified at FVOCI	On financial assets measured at amortised cost	On financial assets measured classified at FVTPL	On financial assets measured classified at FVOCI
11 Interest income						
Interest income on portfolio loans	23,601.54	-	53,212.31	13,194.94	-	39,320.23
Income from housing loans	-	-	3,196.27	-	-	3,990.34
Interest income on deposits	3,191.48	-	-	2,311.74	-	-
Interest income on certificate of deposits, commercial papers, T-Bill and NCD's	-	761.76	-	-	123.24	-
Interest income on unwinding of assigned portfolio	1,889.76	-	-	757.33	-	-
Sub-total	28,682.78	261.26	56,408.58	16,264.01	123.24	43,310.57
Total			85,352.62			59,697.82

Particulars	For the half year ended September 30, 2023	For the half year ended September 30, 2022
12 Fees and commission income		
Service fee and facilitation charges	1,330.58	891.81
Income from business correspondent operations*	1,730.61	3,111.77
Total	3,061.19	4,003.58

*Set out below is the disaggregation of the Group's revenue from contracts with customers and reconciliation to profit and loss account:

Particulars	For the half year ended September 30, 2023	For the half year ended September 30, 2022
Type of Services or service		
Income from business correspondent operations	1,730.61	3,111.77
Total revenue from contracts with customers	1,730.61	3,111.77
Geographical markets		
India	1,730.61	3,111.77
Outside India	-	-
Total revenue from contracts with customers	1,730.61	3,111.77
Timing of revenue recognition		
Services transferred at a point in time	-	-
Services transferred over time	1,730.61	3,111.77
Total revenue from contracts with customers	1,730.61	3,111.77
Particulars	As at September 30, 2023	As at March 31, 2023
Contract balances		
Trade receivable	87.04	698.53
Contract Assets	478.44	825.64
Contract Liabilities	-	-

Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

Particulars	For the half year ended September 30, 2023	For the half year ended September 30, 2022
Revenue as per Contract	1,730.61	3,111.77
Adjustments	-	-
Discount	-	-
Revenue from contract with customers	1,730.61	3,111.77

Particulars	For the half year ended September 30, 2023	For the half year ended September 30, 2022
13 Finance costs (on financial liabilities measured at amortised cost)		
Interest on borrowings (other than debt securities)	30,153.53	19,808.47
Interest on debt securities	6,649.91	6,568.56
Interest on subordinated liabilities	2,380.90	3,097.75
Interest expense for leasing arrangements	110.42	36.30
Other interest expenses	702.86	682.66
Bank charges	219.21	177.75
Total	40,216.83	30,371.49

Particulars	For the half year ended September 30, 2023		For the half year ended 30 September 2022	
	On financial assets measured at amortised cost	On financial assets measured at FVTOCI	On financial assets measured at amortised cost	On financial assets measured at FVTOCI
14 Impairment on financial instruments				
Loans written off	81.49	4,831.27	117.52	47,199.62
Impairment loss allowance on trade receivable and other receivable	(5.46)	-	19.94	-
Impairment loss allowance on housing and other loans	521.96	(771.80)	176.93	(13,766.76)
Total	597.99	4,059.47	314.39	33,432.86

Particulars	For the half year ended September 30, 2023	For the period ended September 30, 2022
15 Earnings per share (EPS)		
Net profit/(loss) after tax attributable to equity shareholders		
Net profit for the year for basic earnings per share	19,464.96	(15,250.04)
Dilutive impact of share warrants	-	-
Net profit for the year for diluted earnings per share	19,464.96	(15,250.04)
Nominal value of equity share (₹)	10	10
Weighted-average number of equity shares for basis earnings per share	91,798,876	75,086,252
Effect of dilution:		
Share warrants	-	5,128,205
Weighted-average number of equity shares used to compute diluted earnings per share	91,798,876	80,214,457
Basic earnings per share (₹)	21.20	(20.31)
Diluted earnings per share (₹)	21.20	(20.31)



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16 Financial instruments

A Financial assets and liabilities

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

Particulars	As at September 30, 2023	As at March 31, 2023
Financial assets measured at fair value		
Derivative financial instruments	2,385.98	2,231.64
Loans measured at fair value through other comprehensive income	507,623.57	417,324.36
Investments measured at		
Fair value through other comprehensive income	5,021.25	5,936.39
Fair value through profit and loss	5,108.11	111.70
Financial assets measured at amortised cost		
Cash and cash equivalents	55,545.81	25,770.63
Bank balances other cash and cash equivalents	94,828.91	85,665.12
Trade receivables	443.04	539.45
Loans	228,467.23	215,561.31
Investments	280.59	127.81
Security deposits	279.84	253.59
Other financial assets	8,932.39	2,059.21
Total	908,916.72	755,581.21
Financial liabilities measured at amortised cost		
Trade payables	245.68	507.87
Other payables	2,342.94	1,551.65
Debt securities (including interest accrued)	84,315.40	112,633.95
Borrowings other than debt securities (including interest accrued)	618,919.79	446,093.20
Sub-ordinated liabilities (including interest accrued)	30,474.01	37,612.39
Other financial liabilities	6,375.05	21,857.14
Total	742,672.87	620,256.20

B Fair values hierarchy

Financial assets and financial liabilities are measured at fair value in the financial statements and are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

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).

Valuation technique used to determine fair value

The fair value of a financial instrument on initial recognition is normally the transaction price (fair value of the consideration given or received). Subsequent to initial recognition, the Group determines the fair value of financial instruments that are quoted in active markets using the quoted bid prices (financial assets held) or quoted ask prices (financial liabilities held) and using valuation techniques for other instruments. Valuation techniques include discounted cash flow method, market comparable method, recent transactions happened in the Group and other valuation models. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

B.1 Financial assets and liabilities measured at fair value - recurring fair value measurements

As at September 30, 2023	Level 1	Level 2	Level 3	Total
Assets				
Loans at fair value through other comprehensive income				
Loans	-	-	507,623.57	507,623.57
Investments at fair value through other comprehensive income				
Security Receipts	-	-	5,021.25	5,021.25
Investments at fair value through profit and loss				
Certificate of deposits	-	4,998.11	-	4,998.11
Equity instruments	-	-	110.00	110.00
Derivative financial assets at fair value through profit and loss				
Currency and interest swaps	-	2,385.98	-	2,385.98

As at March 31, 2023	Level 1	Level 2	Level 3	Total
Assets				
Loans at fair value through other comprehensive income				
Loans	-	-	417,324.36	417,324.36
Investments at fair value through other comprehensive income				
Security Receipts	-	-	5,936.39	5,936.39
Investments at fair value through profit and loss				
Government securities	-	0.51	-	0.51
Others	-	-	111.19	111.19
Derivative financial assets at fair value through profit and loss				
Currency and interest swaps	-	2,231.64	-	2,231.64

Valuation process and technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- Eligible loans valued by discounting the aggregate future cash flows (both principal and interest cash flows) with discount rate that commensurate with the risk inherent in the expected cash flows for the remaining portfolio tenor.
- The use of net asset value for mutual funds and certificate of deposits on the basis of the statement received from investee party.
- The value of derivative contracts are determined using mark to market value shared by contracting bank at balance sheet date.
- The use of net asset value for security receipts on the basis of the value declared by investee party.
- The use of net asset value for government securities on the basis of the value declared by government.



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17 Financial risk management

i) Risk Management

The Group's activities expose it to market risk, liquidity risk and credit risk. The Group's Board of directors has overall responsibility for the establishment and oversight of the Group risk management framework. The Group manages the risk basis policies approved by the board of directors. The board of directors provides 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	Risk management
Credit risk	Cash and cash equivalents (excluding cash on hand), other bank balances, investments, loans, trade receivables and other financial assets	Credit limit and ageing analysis	Highly rated bank deposits and diversification of asset base and collaterals taken for assets
Liquidity risk	Borrowings, debt securities, subordinated liabilities, trade payables and other financial liabilities	Cash flow forecasts	Committed borrowing and other credit facilities and sale of loan assets (whenever required) Maintaining high level of liquidity by investing in liquid instruments
Market risk - foreign exchange	Financial assets and liabilities not denominated in Indian rupee ₹	Cash flow forecasting	Currency and interest rate swaps
Market risk - interest rate	Change in interest rate of variable rates borrowings, debt securities and subordinated liabilities	Sensitivity analysis	Review of cost of funds and pricing disbursement
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

In order to avoid excessive concentration of risk, the Group's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

A) Credit risk

Credit risk is the risk that the Group will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Group's exposure to credit risk is influenced mainly by cash and cash equivalents, other bank balances, investments, loan assets, trade receivables and other financial assets. The Group continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

a) Credit risk management

Based on business environment in which the Group 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. The Group 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 Group has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties, including regular collateral revisions. The Group 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
- (ii) Moderate credit risk
- (iii) High credit risk

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

Nature	Assets covered	Provision for expected credit loss
Low credit risk	Cash and cash equivalents (excluding cash on hand), other bank balances, investments, loans, trade receivables and other financial assets	Life time expected credit loss or 12 month expected credit loss
Moderate credit risk	Loans	Life time expected credit loss or 12 month expected credit loss
High credit risk	Loans and other financial assets	Life time expected credit loss or fully provided for

Financial assets that expose the entity to credit risk*

Particulars	As at September 30, 2023	As at March 31, 2023
(i) Low credit risk		
Cash and cash equivalents	51,133.68	21,069.58
Bank balances other than cash and cash equivalents	94,828.91	85,665.12
Trade receivables	444.64	540.05
Loans	725,312.87	621,155.74
Investments	11,876.38	8,758.24
Security deposits	279.84	253.59
Other financial assets	8,827.22	1,954.34
(ii) Moderate credit risk		
Loans	6,770.30	4,314.06
(iii) High credit risk		
Loans	17,589.04	20,339.19
Other financial assets	140.27	140.27

* These represent gross carrying values of financial assets, without netting off impairment loss allowance.

Cash and cash equivalents and bank deposits

Credit risk related to cash and cash equivalents (excluding cash on hand) and bank deposits is managed by only accepting highly rated deposits from banks and financial institutions across the country.

Trade 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 measured at amortized cost

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



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Loans

The Group closely monitors the credit worthiness of the borrower's through internal systems and appraisal process to assess the credit risk and define credit limits of borrower, thereby, limiting the credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties. These processes include a detailed appraisal methodology, identification of risks and suitable structuring and credit risk mitigation measures. The Group 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.

The major guidelines for selection of the client includes:

- The client's income and indebtedness levels
- The client's household must be engaged in some form of economic activity which ensures regular and assured income
- The client must possess the required KYC documents
- Client must agree to follow the rules and regulations of the organisation
- Credit bureau check – In order to deal with the problem of over extension of credit and indebtedness of the client, the organisation undertakes credit bureau checks compulsorily for every client. The credit bureau check helps the organisation in identifying clients with poor repayment histories and multiple loans.

Category*	Inputs	Assumptions
Micro finance loans	1. Ageing of historical data	1. Recoverability assumptions for stage 3 loan assets
Micro, Small and Medium Enterprises loans	2. Latest available interest rate as discounting factor	2. Averaging of best case and worst case scenarios
Housing and other loans		

* The Parent Company has used forward looking information in form of real domestic demand, consumer price index, real GDP and agriculture growth rate for Micro finance loans and real domestic demand and consumer prices growth rate for Micro Small and Medium Enterprises loans and subsidiary Companies has used forward looking information in form of inflation rate for housing and other loans.

Assets are written off when there is no reasonable expectation of recovery. The Group 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.

b) Credit risk exposure

i) Expected credit losses for financial assets

As at September 30, 2023	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	51,133.68	-	51,133.68
Bank balances other than cash and cash equivalents	94,828.91	-	94,828.91
Trade receivables	444.64	1.60	443.04
Loans	749,672.21	13,581.41	736,090.80
Investments	11,876.38	1,576.43	10,299.95
Security deposits	279.84	-	279.84
Other financial assets	8,967.49	35.10	8,932.39
As at March 31, 2023			
Cash and cash equivalents	21,069.58	-	21,069.58
Bank balances other than cash and cash equivalents	85,665.12	-	85,665.12
Trade receivables	540.05	0.60	539.45
Loans	645,808.99	12,923.32	632,885.67
Investments	8,758.24	2,694.04	6,064.20
Security deposits	253.59	-	253.59
Other financial assets	2,094.61	35.40	2,059.21

c) Concentration of loans

Particulars	As at September 30, 2023	As at March 31, 2023
Micro finance loans	644,668.72	545,850.62
Micro, Small and Medium Enterprises (MSME)	61,369.65	58,934.27
Housing finance and other loans	51,116.69	47,011.93
Less: Unamortised processing fee	(7,482.85)	(5,988.84)
Total	749,672.21	645,807.98

d) Loans secured against collateral

The Group secured portfolio pertains to MSME, housing and other loans, which are secured largely against property, plant and equipment, book debts, inventories, margin money and other working capital items. The Group collateral policy is consistent throughout the periods presented. The following table presents the maximum exposure to credit risk.

Particulars	Carrying value
As at September 30, 2023	
MSME loans secured by property, plant and equipment (including land, building and plots)	71,547.85
MSME loans secured by book debts, inventories, margin money and other working capital items	4,348.05
As at March 31, 2023	
MSME loans secured by property, plant and equipment (including land, building and plots)	63,945.82
MSME loans secured by book debts, inventories, margin money and other working capital items	3,082.64

Wherever required, the Group holds other types of collateral and credit enhancements, such as cross-collateralisation on other assets of the borrower, pledge of securities, guarantees of promoters/proprietors, hypothecation of receivables via escrow account, hypothecation of receivables in other bank accounts, etc.

The Group does not physically possess properties or other assets in its normal course of business but makes efforts toward recovery of outstanding amounts on delinquent loans. Once contractual loan repayments are overdue, the Group initiate the legal proceedings against the defaulted customers.



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B) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities (other than derivatives) that are settled by delivering cash or another financial asset. The Group'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 Group maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors the Group's liquidity positions (also comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows. The Group also takes into account liquidity of the market in which the entity operates.

(i) Financing arrangements

The Group had access to the following undrawn borrowing facilities:

As at September 30, 2023	Total facility	Drawn	Undrawn
- Expiring within one year	47,510.97	39,110.97	8,400.00
- Expiring beyond one year	260,337.00	249,837.00	10,500.00
Total	307,847.97	288,947.97	18,900.00

As at March 31, 2023	Total facility	Drawn	Undrawn
- Expiring within one year	55,850.00	55,350.00	500.00
- Expiring beyond one year	258,792.90	200,292.00	58,500.90
Total	314,642.90	255,642.00	59,000.90

C) Market risk

a) Foreign currency risk

The Group is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the functional currency of the Group. To mitigate the Group's exposure to foreign currency risk, non-rupee cash flows are monitored and derivative contracts are entered into in accordance with the Group's risk management policies. Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk arises majorly on account of foreign currency borrowings. The Group manages its foreign currency risk by entering in to cross currency swaps and forward contract. When a derivative is entered in to for the purpose of being as hedge, the Group negotiates the terms of those derivatives to match with the terms of the hedge exposure.

Foreign currency risk exposure:

The Group exposure to foreign currency risk at the end of the reporting period expressed in ₹, are as follows

Particulars	Currency	As at September 30, 2023	As at March 31, 2023
Financial liabilities			
External commercial borrowings (including interest accrued)	USD	68,397.96	41,691.24
(Gain)/loss: Derivative contract		(2,385.98)	(2,231.64)

Sensitivity

The sensitivity of profit and loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

Particulars	For the half year ended September 30, 2023	For the year ended March 31, 2023
USD sensitivity*		
INR/USD- increase by 5%	(3,419.90)	(2,084.56)
INR/USD- decrease by 5%	3,419.90	2,084.56

* Holding all other variables constant

b) Interest rate risk

i) Liabilities

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Group's policy is to minimise interest rate cash flow risk exposures on long-term financing. As at September 30, 2023, the Group is exposed to changes in market interest rates through debt securities, other borrowings and subordinated liabilities at variable interest rates.

Interest rate risk exposure

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

Particulars	As at September 30, 2023	As at March 31, 2023
Variable rate liabilities		
Debt securities	-	-
Borrowings other than debt securities	303,769.77	170,303.80
Subordinated liabilities	20,000.00	20,000.00
Fixed rate liabilities		
Debt securities	81,922.60	109,643.58
Borrowings other than debt securities	312,608.32	274,054.46
Subordinated liabilities	9,986.26	17,122.90
Total	728,286.95	591,124.74

Sensitivity

The profits earned by the Group are sensitive to the change in interest rates on debt securities. The following table shows the sensitivity of profit/(loss) due to change in interest rates:

Particulars	For the half year ended September 30, 2023	For the year ended March 31, 2023
Interest sensitivity*		
Interest rates - increase by 0.50%	(717.26)	(774.96)
Interest rates - decrease by 0.50%	717.26	774.96

* Holding all other variables constant

ii) Assets

The Group'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.



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c) Price risk

i) Exposure

The Group's exposure price risk arises from investments held and classified in the balance sheet either as fair value through other comprehensive income or at fair value through profit and loss. To manage the price risk arising from investments, the Group diversifies its portfolio of assets.

ii) Sensitivity

The table below summarises the impact of increases/decreases of the index on the Group's equity and profit for the period:

Impact on profit before tax

Particulars	For the half year ended September 30, 2023	For the year ended March 31, 2023
Mutual fund, Certificate of deposits and commercial paper		
Net assets value – increase by 5%	249.91	-
Net assets value – decrease by 5%	(249.91)	-

18 Capital management

The primary objectives of the Group's capital management policy is to ensure that the Group complies with capital adequacy requirements required by the Reserve Bank of India and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Group's capital management objectives are

- to ensure the Group's ability to continue as a going concern
- to comply with externally imposed capital requirement and maintain strong credit ratings
- to provide an adequate return to shareholders

Management assesses the Group's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the sub-ordination levels of the Group's various classes of debt. The Group 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 Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

Particulars	As at September 30, 2023	As at March 31, 2023
Net debt*	583,334.48	484,903.79
Total equity	190,019.29	162,812.44
Net debt to equity ratio	3.07	2.98

* Net debt includes debt securities + borrowings other than debt securities + sub-ordinated liabilities + interest accrued - cash and cash equivalents - bank balances other than cash and cash equivalents.



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19 Related party disclosures

A List of related parties and disclosures

Key managerial personnel and their relatives:

Name of key managerial personnel	Designation
Mr. Harvinder Pal Singh	Chairman cum Managing Director
Mr. Jugal Kataria	Group Controller
Mr. Rakesh Sachdeva	Chief Financial Officer
Mr. Manoj Agrawal (w.e.f. August 11, 2023)	Deputy Chief Financial Officer
Mr. Vipul Sharma (w.e.f. May 12, 2021 till September 10, 2022)	Company Secretary and Compliance Officer
Mr. Vikas Gupta (w.e.f. October 8, 2022)	Company Secretary and Compliance Officer
Mr. Satvinder Singh	Non-Executive and Non-Independent Director
Mr. Sundeep Kumar Mehta	Non-Executive and Independent Director
Mr. Sanjay Kumar Bhatia	Non-Executive and Independent Director
Mr. Anil Kumar Kalra	Non-Executive and Independent Director
Mr. Chrisitan Bernhard Ramm (till March 1, 2023)	Nominee Director
Mr. Goh Colin	Non-Executive and Independent Director
Mrs. Sangeeta Khorana	Non-Executive and Independent Director
Satin Housing Finance Limited	
Mr. Sachin Sharma	Chief Financial Officer
Mr. Prince Kumar (till April 27, 2022)	Company Secretary
Ms. Vaishali Goyal (w.e.f. April 28, 2022)	Company Secretary
Mr. Amit Sharma	Managing Director and Chief Executive Officer
Dr. Jyoti Ahluwalia (w.e.f. April 27, 2022)	Director
Taraashna Financial Services Limited*	
Mr. Partha Mukherjee (till August 31, 2022)	Chief Executive Officer & Whole Time Director
Mr. Rahul Garg (till February 28, 2023)	Chief Financial Officer
Ms. Sneha Khanduja (w.e.f. July 29, 2022 till February 28, 2023)	Company Secretary
Satin Finserv Limited*	
Mr. Arjun Bansal	Chief Financial Officer
Mr. Puneet Jolly	Company secretary
Mr. Sumit Mukherjee (till August 31, 2023)	Director & Chief Executive Officer

*Taraashna Financial Services Limited got merged with Satin Finserv Limited vide NCLT order dated March 1, 2023)

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

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

Name of related party	Nature of transaction	For the half year ended	For the half year ended
		September 30, 2023	September 30, 2022
Mr. Harvinder Pal Singh	Remuneration	70.53	70.16
	Provident fund and others	7.20	7.20
	Personal guarantees given	32,850.00	9,750.00
	Personal guarantees withdrawn	20,660.10	7,539.22
	Personal guarantees withdrawn	-	10,000.00
Mr. Harvinder Pal Singh and Mr. Satvinder Singh	Personal guarantees given (jointly)	256,150.00	17,500.00
	Personal guarantees withdrawn (jointly)	171,187.72	43,153.85
Mr. Jugal Kataria	Remuneration	76.47	70.15
Mr. Rakesh Sachdeva	Remuneration	40.26	39.03
Mr. Vipul Sharma	Remuneration	-	8.52
Mr. Vikas Gupta	Remuneration	18.29	-
Mr. Manoj Agrawal	Remuneration	15.73	-
Mr. Partha Mukherjee	Remuneration	-	17.50
Mr. Rahul Garg	Remuneration	-	11.05
Ms. Sneha Khanduja	Remuneration	-	0.97
Mr. Amit Sharma	Remuneration	52.78	40.75
Mr. Sachin Sharma	Remuneration	31.17	27.51
Mr. Prince Kumar	Remuneration	-	0.56
Ms. Vaishali Goyal	Remuneration	7.51	5.89
Mr. Sumit Mukherjee	Remuneration	44.00	52.80
Mr. Arjun Bansal	Remuneration	13.31	11.75
Mr. Puneet Jolly	Remuneration	8.80	7.54
Mr. Satvinder Singh	Sitting fees	2.50	1.90
Mr. Sundeep Kumar Mehta	Sitting fees	3.70	2.90
Mrs. Sangeeta Khorana	Sitting fees	2.30	0.80
Mr. Goh Colin	Sitting fees	2.50	1.80
Mr. Anil Kumar Kalra	Sitting fees	2.75	2.20
Mr. Sanjay Kumar Bhatia	Sitting fees	2.85	1.80
Dr. Jyoti Ahluwalia	Sitting fees	0.40	0.30
Satin Neo Dimensions Private Limited	Interest income	7.00	15.78
	Inter corporate loan received back	48.94	40.43



SATIN CREDITCARE NETWORK LIMITED

Selected explanatory notes to the Unaudited Interim Condensed Consolidated financial statements for the half year ended September 30, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

C Key management personnel compensation includes the following expenses:

Particulars	For the half year ended September 30, 2023	For the half year ended September 30, 2022
Short-term employee benefits	386.05	371.35
Post employment benefits	10.39	13.92
Other long-term benefits*	(0.20)	9.20

*Reversal on account of change in actuarial assumptions in previous year.

D Outstanding balances with related parties in ordinary course of business:

Name of related party	Nature of balance	As at September 30, 2023	As at March 31, 2023
Mr. Harvinder Pal Singh	Personal guarantees against borrowings [^]	40,321.60	28,131.70
Mr. Harvinder Pal Singh and Mr. Satvinder Singh	Personal guarantees (jointly) against borrowings [^]	194,847.51	109,885.23
Mr. Goh Colin	Sitting fees	1.65	0.58
Mr. Anil Kumar Kalra	Sitting fees	0.41	0.63
Mr. Sanjay Kumar Bhatia	Sitting fees	-	0.63
Mr. Satvinder Singh	Sitting fees	0.23	0.27
Mr. Sundeep Kumar Mehta	Sitting fees	0.23	0.27
Mrs. Sangeeta Khorana	Sitting fees	-	0.63
Satin Neo Dimensions Private Limited	Inter corporate loan	48.54	97.48
	Maximum outstanding against Inter corporate loan	97.48	157.54
	Interest accrued	0.76	1.52

[^]Personal guarantee balances outstanding indicates outstanding amount of borrowings against which guarantee was given.

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SATIN CREDITCARE NETWORK LIMITED

Selected explanatory notes to the Unaudited Interim Condensed Consolidated financial statements for the half year ended September 30, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

20 Segment information

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

21 Contingent liabilities and commitments:

(to the extent not provided for)

- i) The Parent Company has received income tax notice under section 143(3) of the Income Tax Act 1961 dated April 05, 2021 for tax demand amounting to ₹ 194.63 lakhs on account of disallowance of expenses under section 43B and 36(1)(va) for assessment year 2018-19. In response to such notice, the company had filed rectification under section 154 and correspondingly received the order under said section dated March 12, 2023 from assessing office reducing the demand to ₹ 64.96 lakhs. The company has also filed an appeal with CIT (A) against such demand which is pending for hearing.
- ii) The Parent Company has received income tax notice under section 143(3) of the Income Tax Act, 1961 dated September 24, 2022 for tax demand amounting to ₹ 67.35 lakhs on account of disallowance under section 14A for assessment year 2020-21. In response to such notice, the company has filed an appeal with CIT (A) against such demand which is pending for hearing.
- iii) The Parent Company has received income tax notice under section 143(1) and 143(3) of the Income Tax Act, 1961 dated September 22, 2022 and December 20, 2022 respectively for tax demand amounting to ₹ 389.40 lakhs on account of disallowance under section 41 and section 14A for assessment year 2021-22. In response to such notice, the parent company had filed rectification under section 154 and correspondingly received the order under said section dated April 04, 2023 from assessing office reducing the demand by ₹ 295.72 lakhs resulted the demand reduced to ₹ 93.68 lakhs. The parent company has also filed an appeal with CIT (A) against such demand which is pending for hearing.

iv) Particulars	As at	As at
	September 30, 2023	March 31, 2023
The Group has undrawn exposure towards borrowers	3,200.17	4,210.80
Total	3,200.17	4,210.80

22 The secured non-convertible debentures issued by the Parent Company are fully secured by first pari passu charge by mortgage of an immovable property of the Parent Company and/or by hypothecation of book debts/loan receivables to the extent as stated in the information memorandum. Further, the Parent Company has maintained asset cover as stated in the information memorandum which is sufficient to discharge the principal amount at all times for the non-convertible debt securities issued.

23 During the half year ended September 30, 2023, the Parent Company has allotted following Non-Convertible Debentures on private placement basis -

- i) 1,500 Secured, Rated, Listed, Redeemable, Transferable, Non-Convertible Debentures of face value of ₹ 1,00,000 each aggregating to ₹ 1,500.00 lakhs on July 28, 2023.
- ii) 2,683 Unlisted, Rated, Secured, Redeemable, Non-Convertible Debentures of face value of ₹ 1,00,000 each aggregating to ₹ 2,683.00 lakhs on August 9, 2023.
- iii) 1,417 Unlisted, Rated, Secured, Redeemable, Non-Convertible Debentures of face value of ₹ 1,00,000 each aggregating to ₹ 1,417.00 lakhs on August 14, 2023.
- iv) 2,000 Secured, Rated, Listed, Redeemable, Transferable, Non-Convertible Debentures of face value of ₹ 1,00,000 each aggregating to ₹ 2,000.00 lakhs on August 21, 2023.

24 During the half year ended September 30, 2023, the Parent Company has received an amount of ₹1,781.25 Lakhs and ₹4,999.99 Lakhs from Trishashna Holdings and Investments Private Limited (Entity belonging to Promoter Group) and Florintree Ventures LLP (Entity belonging to Non-Promoter Group) in pursuance to conversion of 29,23,076 and 82,05,128 fully convertible warrants, issued on preferential basis, into equivalent number of equity shares of ₹ 10 each, respectively.

25 During the half year ended September 30, 2023, the Parent Company has been allotted 31,471 equity shares of ₹ 10 each by Jay Kay Financial Technologies Pvt. Ltd. (which constitutes of 12.20% of total share capital on fully diluted basis) at the revised issue price of ₹ 349.52/- per equity share pursuant to conversion of 21,845 Compulsory Convertible Preference shares.

26 The Board of Directors of the Parent Company in their meeting held on October 19, 2023 had approved the proposal for raising of funds for an aggregate amount of up to ₹ 3,000 million (Rupees three thousand million), in one or more tranches and/or one or more issuances, simultaneously or otherwise, including by way of private placement(s), qualified institutions placement(s) and/or any combination thereof or any other method as may be permitted in accordance with the applicable provisions of the Companies Act, 2013, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, (each as amended) and any other applicable law. Subsequently, the Shareholder of the Parent Company in its extra ordinary general meeting held on November 27, 2023 had also approved the aforesaid proposal.



SATIN CREDITCARE NETWORK LIMITED


Selected explanatory notes to the Unaudited Interim Condensed Consolidated financial statements for the half year ended September 30, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

- 27 The Parent Company in its extra ordinary general meeting held on November 27, 2023 has also increased the Authorised Share Capital of the Parent Company to ₹200,00,00,000/- (Rupees Two Hundred Crore only) divided into 12,50,00,000 (Twelve Crore Fifty Lakh) Equity Shares of ₹10/- (Rupees Ten only) each and 7,50,00,000 (Seven Crore Fifty Lakh) Preference Shares of ₹10/- (Rupees Ten only) each by creation of additional 2,00,00,000 (Two Crore) Equity Shares and consequent alteration in Clause V of the Memorandum of Association of the Parent Company.
- 28 After September 30, 2023, the Parent Company has allotted following Non-Convertible Debentures on private placement basis –
- i) 5,000 Secured, Rated, Listed, Redeemable, Transferable, Non-Convertible Debentures of face value of ₹ 1,00,000 each aggregating to ₹5,000.00 lakhs on October 13, 2023.
 - ii) 10,000 Secured, Rated, Listed, Redeemable, Transferable, Non-Convertible Debentures of face value of ₹ 1,00,000 each aggregating to ₹10,000.00 lakhs on November 1, 2023.
 - iii) 2,000 Secured, Rated, Listed, Redeemable, Transferable, Non-Convertible Debentures of face value of ₹ 1,00,000 each aggregating to ₹2,000.00 lakhs on November 7, 2023.
 - iv) 3,500 Secured, Rated, Listed, Redeemable, Transferable, Non-Convertible Debentures of face value of ₹ 1,00,000 each aggregating to ₹3,500.00 lakhs on November 24, 2023.
 - v) 45,650 Secured, Rated, Unlisted, Redeemable, Transferable, Non-Convertible Debentures of face value of ₹ 10,000 each aggregating to ₹4,565.00 lakhs on December 1, 2023.
- 29 There were no material events to be recognised or reported subsequent to September 30, 2023 but prior to the approval of the financial statements that are not already disclosed elsewhere in these financial statements.
- 30 Previous year/periods figures have been regrouped/rearranged to make them comparable with the current period classification.

For S S Kothari Mehta & Co
Chartered Accountants
Firm's Registration No. 000756N

For and on behalf of the Board of Directors
Satin Creditcare Network Limited



Naveen Aggarwal
Partner
Membership Number: 094380



Place : Gurugram
Date : December 14, 2023



Place : Gurugram
Date : December 14, 2023



Rakesh Sachdeva
(Chief Financial Officer)