July 14, 2023

To,

The Manager,	**The Manager**
National Stock Exchange of India Ltd.	**BSE Limited**
Exchange Plaza, C-1, Block G,	25th Floor, P. J. Towers,
Bandra Kurla Complex, Bandra East,	Dalal Street,
Mumbai-400051	Mumbai – 400001
Symbol: SATIN	**Scrip Code: 539404**

Sub: Intimation under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Annual Report for the Financial Year 2022-23 including Notice of 33rd Annual General Meeting of the Company

Dear Sir/Madam,

With reference to earlier intimation dated July 10, 2023, wherein the Company had informed that the 33rd Annual General Meeting ("**AGM**") of the members of the Company will be held on Wednesday, August 9, 2023 through Video Conference ("**VC**") / Other Audio-Visual Means ("**OAVM**"), in accordance with the relevant circulars issued by Ministry of Corporate Affairs and Securities and Exchange Board of India.

The instruction details of (i) registering / updating email addresses, (ii) casting vote through remote e-voting and (iii) attending the AGM through VC / OAVM has been set forth in the Notice of the AGM.

The Annual Report for the Financial Year 2022-23, including the Notice convening Annual General Meeting, being sent to the members through electronic mode, is enclosed for your record.

The Company has fixed Wednesday, August 2, 2023 as the "**Cut-off Date**" for the purpose of determining the members eligible to vote through remote e-voting on the resolutions set forth in the Notice of the AGM or to attend the AGM and cast their vote thereat.

The Annual Report including Notice is also available on the Company's website and can be accessed at https://satincreditcare.com/wp-content/uploads/2023/07/Annual-Report-FY-2022-23.pdf

This is for your information and records.

Thanking you.

Yours faithfully,
For Satin Creditcare Network Limited

VIKAS GUPTA
Digitally signed by VIKAS GUPTA
Date: 2023.07.14 15:39:26 +05'30'

(Vikas Gupta)
Company Secretary & Chief Compliance Officer

Encl.: as above
Copy to:

National Securities Depository Ltd.
Trade World, A Wing, 4th & 5th Floors, Kamala Mills Compound, Lower Parel, Mumbai – 13

Central Depository Services (India) Ltd.
Marathon Futurex, A Wing, 25th Floor, NM Joshi Marg, Lower Parel, Mumbai – 13

Link Intime India Pvt. Ltd.,
Noble Heights, 1st Floor, Plot NH 2, C-1 Block, LSC, Near Savitri Market, Janakpuri, New Delhi - 110 058

SATIN CREDITCARE NETWORK LIMITED

REACHING OUT!

Relentless

Exploring prospects.
Growing footprint.

ANNUAL INTEGRATED REPORT 2022-23

About the Report

Our Annual Report for 2022-23 is our fourth consecutive Integrated Annual Report, created in accordance with the principles of <IR>. This year, we hope to go deeper into communicating holistically our financial and non-financial ways of value creation over the long term.

We have presented a more detailed interplay of facts and disclosures respecting the <IR> framework along with those respecting GRI standards.

(GRI: 102-46, 54)

Management Assurance

Our senior management, under the supervision of the Chairman-cum-Managing Director, provides assurance on the data presented. The Board members have also provided adequate insights related to the Governance and overall operating context.

Reporting Scope and Boundary

The SCNL Integrated Annual Report for 2022-23 covers information on Satin Creditcare Network Limited's business segments, along with our associated activities that enable short, medium and long-term value creation. The reported numbers are on a standalone basis, unless stated otherwise.

(GRI: 102-50, 51, 52)

Disclaimer

This document contains statements about expected future events and financials of Satin Creditcare Network Limited (SCNL), which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis section of this Annual Report.

Our Business Value Drivers

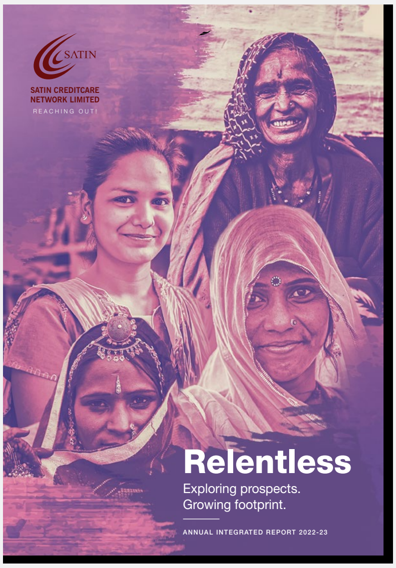
- Financial Capital
- Manufactured Capital
- Human Capital
- Intellectual Capital
- Natural Capital
- Social and Relationship Capital

Relevant UN SDGs

Read more about our Business Model on page **12**

Message from CMD

10-13



The cover represents diverse group of women's faces, representing different ethnicities, age, and backgrounds. The faces reflect determination, confidence, and resilience — a resonance to what Satin Creditcare Network Limited represents to its stakeholders

Icons to look for throughout the report

Page Reference

Online Download Reference

Weblink Reference

For more information visit

https://satincreditcare.com

or scan the QR code

Stakeholder Engagement and Materiality

18-21

Risk Management Framework

22-25

Investor Information

Market capitalization as of March 31, 2023	INR 1,085 Crores
CIN	L65991DL1990PLC041796
BSE code	539404
NSE symbol	SATIN
Bloomberg code	SATIN:IN
AGM date	August 9, 2023
AGM venue	Video Conferencing ('VC') / Other Audio Visual Means ('OAVM')

What makes SCNL among India's leading microfinance institutions

INR **9,115** Crores
AUM

INR **1,559** Crores
Revenue

28.3 Lakhs
Active Clients

Consolidated as on March 31, 2023

Inside the Report

Our journey has been marked by a relentless zeal to cater to the needs of communities – often underserved and unserved. By making financial inclusion a core priority, we are determined to make a real difference in people's lives.

To foster a sustainable business, we have strongly relied on our core competencies to champion the cause of our clients. Apart from empowering women by offering financial services, we have concentrated on building solutions that are designed to nurture lasting relationships with people.

Guided by a strong respect for customer needs, we have consistently expanded our footprints across the country, explored diverse opportunities for business growth and invested in decisive action that creates enhanced shared value for varied stakeholders. Over the years, we have nurtured a robust business model with a diversified portfolio, constant adoption of digital technology and robust underwriting capabilities that minimize our risk profile considerably. Besides, a healthy capital adequacy ratio and positive asset-liability management enable us to constantly capitalize on emerging opportunities.

In pursuit of our strategic priorities, we remain

Relentless

focused on unravelling growth prospects while also enabling our cause of financially empowering people at the grassroots of our society

About Us

Committed to Offering Responsible Financial Services

Satin Creditcare Network Limited (SCNL) is a NBFC-MFI and a diversified financial services provider catering to rural India, supported by robust processes and technology.

Ours is a people-first approach where we employ client-centric strategies to provide a diverse range of products targeted at helping those who operate on the sidelines of the mainstream economic system. Remaining steadfast in our commitment to empower our customers, we offer financial services that are reasonable and tailored to meet their unique needs.

Among our financial services and products are various microloans that cater to the specific needs of our clients, which comprise primarily low-income families and microbusinesses.

Our Subsidiaries

Through the collective efforts of our subsidiaries, we extend a spectrum of financial services that effectively bridge the gaps left by the formalized systems of finance and employment, leveraging our outreach in microfinance to offer Affordable Housing and retail MSME loans to clients who have completed more than two loan cycles with the Company and have higher credit requirements. We have a resilient business model, one that possesses the inherent capability to adeptly navigate the ebbs and flows of a dynamic operating environment. To this end, we harness the remarkable skills and capabilities of our subsidiaries to stay ahead of the curve.

Satin Housing Finance Limited (SHFL)

Founded in 2017, our subsidiary, SHFL, serves people belonging to low- to middle-income groups by offering affordable housing finance solutions. Aligned with our objective of fostering financial inclusion, we provide loans with flexible repayment options and affordable interest rates. SHFL's constant endeavour is to streamline the home purchasing process with customized services and assistance.

INR 505 Crores
AUM growth of 59% YoY

INR 316 Crores
Disbursement growth of 111% YoY

45.3%
Healthy CRAR to support growth opportunities

INR 6 Crores
PAT

1.5%
RoA

4.8%
RoE

Satin Finserv Limited (SFL)

SFL provides financial solutions to Micro, Small and Medium-sized Enterprises (MSMEs). It was incorporated in 2018 with the purpose of promoting entrepreneurship among the grassroots of our society, spurring them into action and growth. SFL provides working capital loans, machinery loans and trade finance solutions. Additionally, SFL provides secured small-ticket business loans averaging INR 2 Lakhs.

Taraashna Financial Services Limited (TFSL)

Being acquired in 2016, TFSL has been engaged in business correspondent activity with various banks and NBFCs. It has also sourced new businesses for SCNL and our other wholly owned subsidiary, Satin Finserv Limited, under its flagship project called 'Nai Roshni'.

Effective March 1, 2023, the merger of Taraashna Financial Services Limited with Satin Finserv Limited has been completed. The newly formed entity now possesses a total of 178 branches and a workforce of 1,612 people.

INR 682 Crores
AUM

INR 381 Crores
Disbursement

47%
Healthy CRAR to support growth opportunities

INR 6 Crores
PAT

2.0%
RoA

4.5%
RoE

Numbers that Define Us

Key Highlights for FY23*

Present across
405
Districts and
95,000
Villages, covering
24
States and UTs

28.3 Lakhs
Active clients

29.6 Lakhs
Loan accounts

* On a consolidated basis

INR 9,115 Crores
AUM growth of 20% YoY

INR 8,087 Crores
Disbursement growth of 67% YoY

Ranked 30th
Amongst Top 100 India's Best Companies to Work for 2023 across all industries by GPTW, India

India's Best Workplaces in the Microfinance Industry
Recognized by GPTW, India

Our Journey

Reaching Milestones

1990

Launched our operations as a provider of individual and small business loans and savings services to urban lenders

1996

Completed our IPO through listing on the Delhi Stock Exchange (DSE), Ludhiana Stock Exchange (LSE) and the Jaipur Stock Exchange (JSE)

1998

Registered as an NBFC with the RBI

2008

Started JLG Model

2013

Converted into NBFC-MFI in Nov'13

2015

Listed on the Calcutta Stock Exchange (CSE) on May 19, the NSE on August 26 and the BSE on October 20, following the de-recognition of the DSE, LSE, and JSE earlier in the same year

2017

Incorporated Satin Housing Finance Limited, a wholly-owned subsidiary providing financing in the affordable housing segment

2018

Marked our foray into MSME lending by incorporating Satin Finserv Limited

2021

Initiated merger of TFSL and SFL

2023

AUM crossed the milestone of INR 9,000 Crores

Completed the merger of two of our wholly owned subsidiaries, Taraashna Financial Services Ltd with Satin Finserv Ltd, with effect from March 1st, 2023

2016

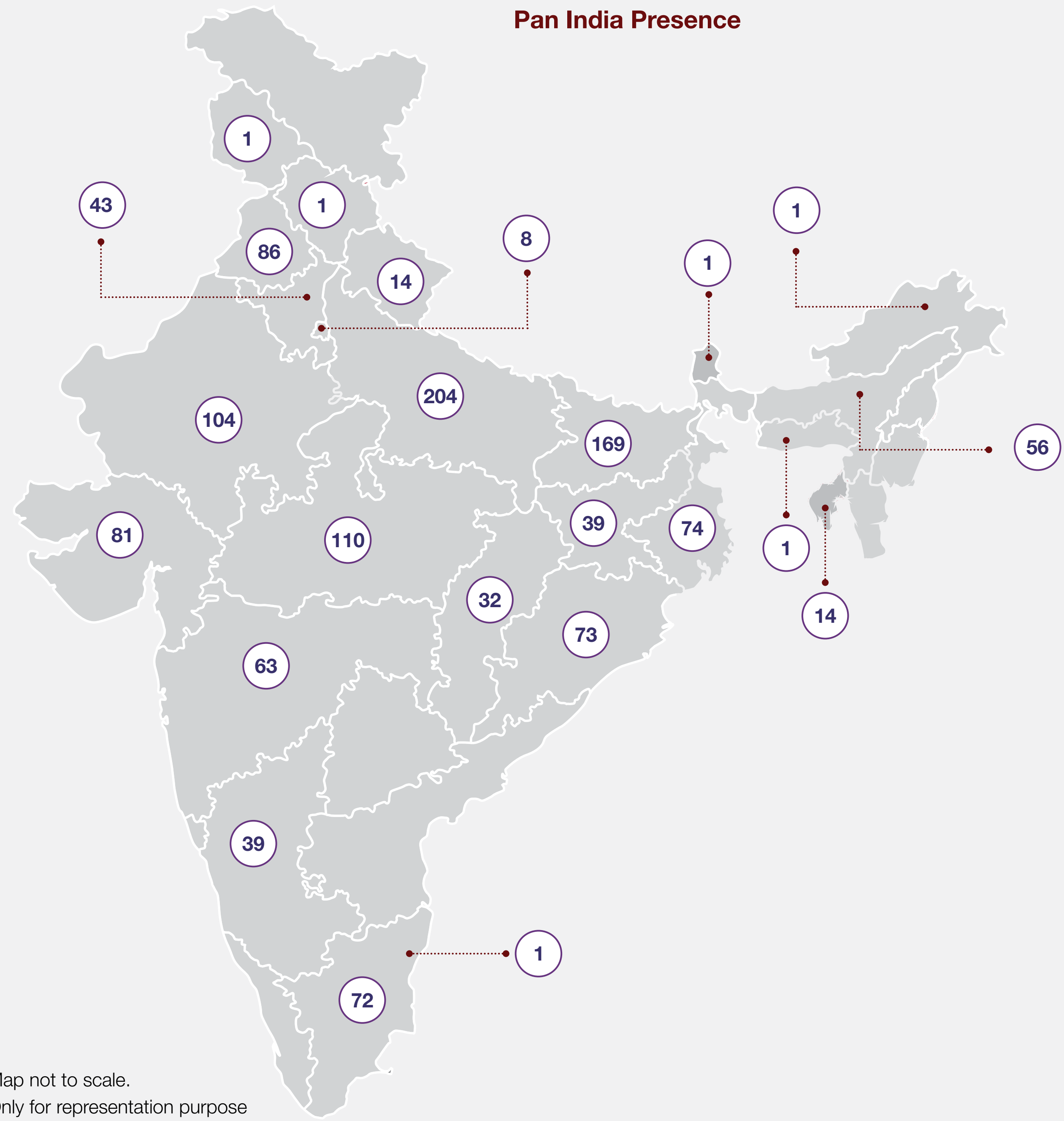
Acquired Taraashna Financial Services Limited

Our Presence

Enabling Financial Empowerment Nationwide

We have a broad geographical presence in India, with operations in 24 states and union territories (UTs). We work in areas often deemed inaccessible, among sections of society deemed unreachable. This is in line with our vision to drive financial inclusion and empower underserved segments of society.

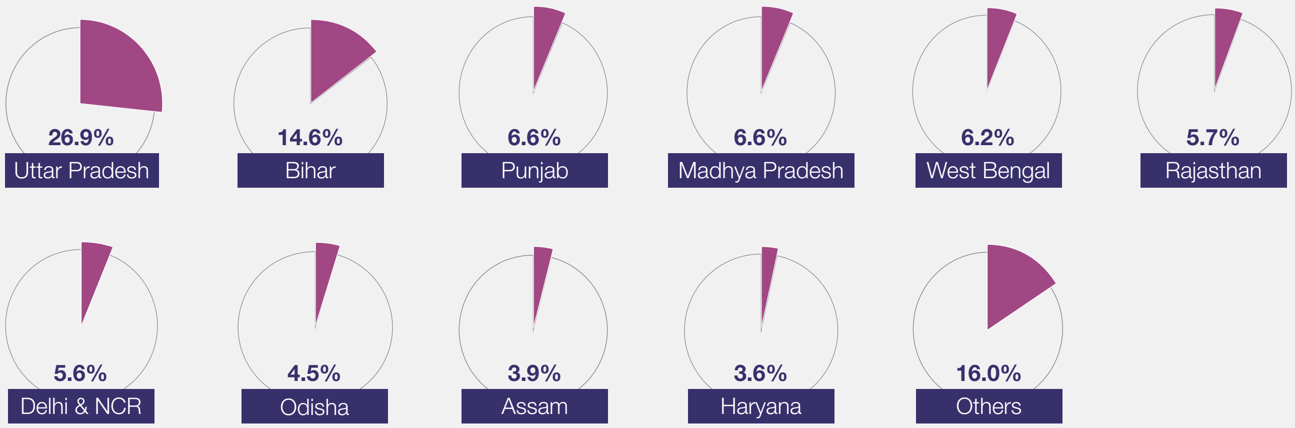
Pan India Presence



Map not to scale.
Only for representation purpose

Nationwide Reach

States and UTs



States

Sl. No	State	No. of Branches
1	Uttar Pradesh	204
2	Bihar	169
3	Madhya Pradesh	110
4	Rajasthan	104
5	Punjab	86
6	Gujarat	81
7	West Bengal	74
8	Odisha	73
9	Tamil Nadu	72
10	Maharashtra	63
11	Assam	56
12	Haryana	43
13	Jharkhand	39
14	Karnataka	39
15	Chhattisgarh	32
16	Tripura	14
17	Uttarakhand	14
18	Delhi	8
19	Arunachal Pradesh	1
20	Himachal Pradesh	1
21	Jammu Kashmir	1
22	Meghalaya	1
23	Pondicherry	1
24	Sikkim	1
	Total	**1,287**

Message from CMD

The fiscal year 2022-23 has been truly exceptional for the microfinance sector. The credit growth has been remarkable, with the Gross Loan Portfolio (GLP) reaching INR 3,48,339 Crores as of March 31, 2023, reflecting a growth rate of 22.0%.

Dear Shareholders,

At Satin Creditcare Network Limited (SCNL), we continue to evolve with changing times, relentlessly exploring prospects and growing our footprint. However, in the midst of all this transformation, we remain anchored to our core values, which have always held us in good stead for well over three decades.

Just like most of our core customers, we have emerged from humble beginnings to being one of the leading and trusted Indian microfinance companies catering to rural India, empowering millions from the grassroots, who languish outside the periphery of traditional channels of financing.

With growing trust in our services, we are determined to strengthen our performance further. Despite headwinds in the macro-economic landscape and the financial sector as a whole, we registered a sterling performance in FY23 in all operational and financial metrics. However, before discussing our performance for the year, let me take you through the macro-economic environment and our industry scenario.

Macroeconomic Overview

The global economy in FY23 has seen numerous headwinds, such as geopolitical tensions, rising inflation, and disruptions in the supply chains of businesses due to the Russia-Ukraine conflict. The banking sector in the United States also faced considerable instability. These factors collectively strained the global economy, requiring concerted efforts to restore stability.

Notwithstanding global challenges, India continued to be one of the fastest growing major economies of the world. The government's support for businesses, especially MSMEs, focus on women empowerment, digitization and financial inclusion measures have improved sentiments. The 'Saptarishi' initiative, announced in the Union Budget 2023, emphasizing infrastructure development and inclusive growth, is expected to drive the lending industry significantly.

At SCNL, during the fiscal year 2022-23, we implemented strategic measures to ensure business continuity and profitability in a dynamic operating environment. We prioritized our risk management framework to assess and mitigate the impact of the pandemic on our operations and borrowers. Upholding our commitment to sustainable wealth creation, we focused on empowering women engaged in economic activities and increasing disbursements to reliable clients. We have made remarkable progress in consolidating our market position and strengthening relationships with stakeholders. We are grateful for the recognition and trust placed in us, and we are eager to support our customers' financial journey and meet their growing needs.

Growth of Microfinance Sector

Over the last two decades, India's microfinance sector has witnessed remarkable growth. The rising demand for financial services from low-income households and micro-enterprises has propelled the industry on an upward trajectory. The adoption of digital technology has played a significant role in expanding its reach to financially underserved regions, fostering further growth.

The fiscal year 2022-23 has been truly exceptional for the microfinance sector. The credit growth has been remarkable, with the Gross Loan Portfolio (GLP) reaching INR 3,48,339 Crores as of March 31, 2023, reflecting a growth rate of 22.0%. Despite the challenges posed by the pandemic and the implementation of a new regulatory framework, the microfinance industry has witnessed a shift in market share. Non-Banking Financial Companies-Microfinance Institutions (NBFC-MFIs) have reclaimed their leadership in lending to the economically weaker sections, surpassing banks for the first time in four years with a portfolio share of 39.7%, followed by Banks at 34.2% and Small Finance Banks (SFBs) at 16.6% as of March 31, 2023. This development is a testament to the strength of the continuous demand for microfinance services.

This growth not only allows leading players in the microfinance segment to expand their presence, but it gives them the ability to succeed in a highly competitive environment. Microfinance institutions have benefited from government support and favourable policies by the RBI, giving them an advantage in risk pricing. During the year, the RBI decided to launch pilot projects to digitise Kisan Credit Card (KCC) to make lending processes more efficient, reduce costs for borrowers, and significantly reduce turnaround time (TAT).

Performance Review

During the year, we have demonstrated the resilience of our business model and our ability to deliver value to all stakeholders. As of March 31, 2023, our Assets Under Management (AUM) has reached an impressive milestone of crossing INR 9,000 Crores*, indicating strong financial position and a sound trajectory of growth. In terms of disbursements, we have experienced a substantial growth in 2023, with disbursements totalling to INR 8,087 Crores*, recording highest ever disbursement. This reflects our commitment to providing financial support to a wider range of customers and meeting their evolving needs.

In keeping with our efforts to escalate financial inclusion for the emancipation of bottom of pyramid, we opened 67 branches, added around 5,000 villages on a consolidated basis and one new state to our portfolio. We are proud to serve a customer base of 2.83 Million* individuals through our extensive network of 1,287* branches spread across 405* districts. 96% of

*On consolidated basis

Message from CMD contd...

our districts have less than 1% portfolio exposure as on 31st March 2023.

This extensive outreach enables us to make a meaningful impact on the lives of our clients through our diverse financing options.

Notably, we have made significant progress in reducing our on-book Gross Non-Performing Assets (GNPA) to 3.28% as on March 2023. This reduction translates to a decrease from INR 412 Crores to INR 185 Crores in absolute terms, with INR 95 Crores attributed to Assam. Excluding Assam, GNPA stood at 1.70% of on-book portfolio. We have tightened our credit evaluation criteria in order to ensure improved portfolio quality. Coming to our new portfolio that is originated from July, 2021 onwards is performing exceptionally well. The same constitutes about 94% of the on-book MFI portfolio, with PAR 1 at 0.7% and PAR 90 at 0.3%, which is better than the industry standards as reported by CRIF Highmark. It is an outcome of our continuous endeavour to strengthen our underwriting processes and demonstrates robustness of our operational processes.

Our performance at SCNL is constantly guided by our respect for strong business fundamentals and we continue to focus on enhancing the quality of our balance sheet and hence this year we recorded our highest ever profitability and delivered standalone PAT of INR 264 Crores, resulting in RoA of 3.5% and RoE at 15.0% for FY23.

Moving on to our subsidiaries, both the subsidiaries have delivered profitable growth during the fiscal year. I am delighted to share that SHFL has achieved an AUM of INR 505 Crores, representing an impressive year-on-year growth of 59%. It has maintained excellent portfolio quality, with a GNPA of 0.34% as of March 2023. During the year, the Company completed the merger of its wholly-owned subsidiaries, Taraashna Financial Services Ltd with Satin Finserv Ltd, with effect from March 1st, 2023. This strategic decision was made to capitalize on synergies and enhance the combined entity's capabilities. In FY 2023, SFL achieved an AUM of INR 682 Crores and disbursement of INR 381 Crores as a result of good traction in the retail book.

Our adoption of advanced technology has played a pivotal role in enabling us to swiftly comply with new regulations set forth by the Reserve Bank of India (RBI). This has allowed us to promptly initiate disbursements under the new regulatory framework.

In conclusion, our strong performance is a testament to our resilience and ability to deliver promised results. With an impressive growth trajectory, a robust financial position, and a well-diversified customer base, we continue to demonstrate our commitment to meeting the evolving needs of our clients and driving financial inclusion in the communities we serve.

A Prudent Growth Strategy

As part of our growth approach and commitment to financial inclusivity, we continue to deepen our operations in existing regions, reach out to more customers, and increase our market share. We are also diversifying our offerings to provide enhanced security and higher growth opportunities.

Having said that, we have placed a strong focus on the non-microfinance (Non MFI) book, including MSME and the Housing Finance business. It is our endeavour to leverage our outreach in microfinance to offer affordable housing and retail MSME loans to clients who have completed more than two loan cycles with the Company and have bigger credit requirements through our subsidiaries. With a continued emphasis on customer service and risk management, we are well-positioned for sustainable long-term growth.

In an effort to preserve a competitive edge, we shall continue to leverage our strong product portfolio, expansive geographical presence, technological expertise, rigorous underwriting processes, and well-diversified liability profile. Our robust asset-liability management ensures ample liquidity and reaffirms our financial stability in the long run.

> Our business growth and the growing trust of our stakeholders have deepened our commitment to our core values of transparency, accountability, and customer-centricity. With the unwavering support of our shareholders, loyal clients, dedicated teams, and trusted partners, we will continue to make a positive impact on the lives of our customers and the communities we serve.

Making a Difference

To make a positive impact, SCNL strives to achieve a balance between people, profit, and the planet. We drive sustainable growth by focusing on green business practices. The

Company offers product financing for the purchase of solar lamps, bicycles, consumer durables, and loans for the development of water connections and sanitation facilities. We have disbursed approximately 4,200 green loans, 91,830 water and sanitation (WASH) loans, and around 30,000 consumer durable loans, enhancing the productivity and income-generating potential of our clients. As a purpose-driven organization, we align our activities with the United Nations' Sustainable Development Goals, empowering girls through improved education opportunities and creating better living facilities. Leveraging our rural outreach and existing network, we can make a difference in the lives of those we serve.

Empowered Human Assets

Our performance, over the years, has been the outcome of our dedicated and persistent teams, who are aggressively pursuing our strategic priorities. Satin is as good as its people.

We have a robust talent management programme that identifies and develops high-potential individuals, providing them with the necessary support and training for professional and personal growth.

We strive to create a positive work environment that fosters teamwork, innovation, and transparency. Additionally, we prioritize employee well-being by organizing comprehensive health and wellness programmes.

Growth Opportunities

We strongly believe that our industry has ample growth opportunities, with a huge unaddressed potential to empower women in large parts of rural India.

SCNL is poised for substantial growth by capitalizing on key opportunities. The increasing demand for financial inclusion and microfinance services, coupled with our deep market understanding, allows us to expand into untapped regions and make a positive impact. Embracing digital innovation further enhances our operational efficiency and customer experience, enabling us to offer seamless digital financial solutions. With strong relationships, a solid balance sheet, and a focus on sustainable growth, we target a significant increase in Assets Under Management (AUM) and a high Return on Assets (ROA). SCNL is committed to seizing these growth opportunities and delivering value to stakeholders.

Awards and Recognitions

In a world increasingly focused on addressing critical challenges like poverty, gender inequality, and climate change, we have wholeheartedly embraced the Sustainable Development Goals (SDGs). Integrating sustainability principles into our rebuilding efforts and corporate social responsibility (CSR) initiatives, we are proud to contribute towards their achievement. We are thrilled to announce that our commitment to sustainability has been recognized through the prestigious Indian Social Impact Award 2023, where we were honored for our Best Education Support Initiative in the 2022-2023 period.

In addition to this remarkable accolade, we have also been adjudged with the esteemed Skoch award for excellence in loan management system. This recognition reflects our dedication on the prudent investments we have made in technology and creating impact.

Moreover, we are excited to share several other recent awards and recognitions. Being recertified as a Great Place to Work for the fourth consecutive time and ranked 30th amongst the 'Top 100 Best Companies to Work' for across all the industries by Great Place to Work, India, reinforcing our outstanding work culture. Additionally, we have been honored with the esteemed ET Excellence Award for our exceptional Operational Excellence initiative, Train the Trainers programmme. These achievements are a testament to our unwavering commitment to operational efficiency and pursuit of excellence.

Way Forward

As we conclude, it is important to reflect on the path that lies ahead. We take immense pride in our legacy of consistent growth and performance, built through hard work and dedication. Our enduring relationships with stakeholders have bestowed upon us a brand credibility that stands the test of time.

Drawing strength from our agile operating model, proven execution capabilities, strong customer relationships, and robust balance sheet, we are poised to deliver enduring value to all stakeholders. Looking ahead, we have set ambitious targets of achieving over 25% growth in Assets Under Management (AUM) and a Return on Assets (RoA) exceeding 3.5%.

Our business growth and the growing trust of our stakeholders have deepened our commitment to our core values of transparency, accountability, and customer-centricity. With the unwavering support of our shareholders, loyal clients, dedicated teams, and trusted partners, we will continue to make a positive impact on the lives of our customers and the communities we serve. Together, we remain steadfast in our pursuit of driving financial inclusion and fostering sustainable growth.

On behalf of the Board and the entire leadership team, I extend my sincere gratitude to all stakeholders for entrusting us with their faith in our vision and capabilities.

Let us march forward into a future of endless possibilities.

Best regards,

HP Singh
Chairman cum Managing Director

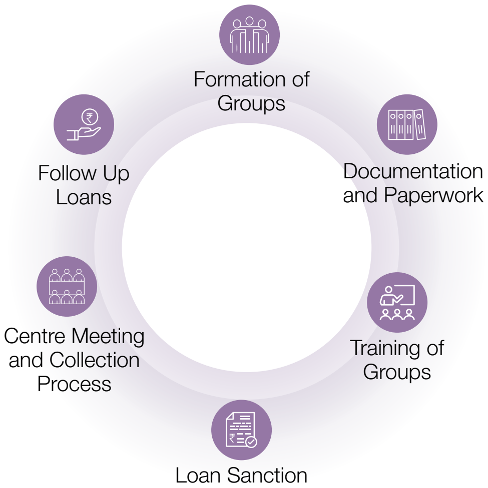
Business Model

Creating Value Through a Resilient Business Model

OUR PHILOSOPHY	CAPITALS	INPUTS
Vision Making Micro-finance Inclusive and Purpose Driven.	Financial Capital	**INR 1,914 Crores** Net Worth **INR 85 Crores** Equity Share Capital **INR 487 Crores** Retained Earnings
Mission • To be a leading micro financial institution by providing a comprehensive range of products and services for the financially under-served community. • To lead in gender empowerment by leveraging technology and innovation that forge sustainable strategic partnerships.	Manufactured Capital	Integrated Physical Infrastructure Corporate Office and Other Locations
	Social and Relationship Capital	**INR 175.45 Lakh** CSR Expenditure Workforce Engaged in CSR Programmes Partnership with Relevant Stakeholders - Investor/ Lenders/ Rating Agencies
Our values • Seeking Excellence • Accountability & Ownership • Teamwork & Collaboration • Integrity • Nurturing Lives	Intellectual Capital	Robust Digital Infrastructure Strong Credit Policy and Underwriting Skills Reliable Risk Management Framework
	Human Capital	**9,222** Employees **35 years** Average Age of Employees
	Natural Capital	Clean Energy Loans

VALUE CREATION PROCESS

Our Business Activities



Microfinance and Beyond

- Income Generating Loan (IGL)
- Social impact financing of solar lamps, bicycles, water and sanitation facilities and so on.
- Housing Finance Loans
- Loans to Micro Small and Medium Enterprises Loan (MSMEs)
- Business Correspondent Services

OUTPUTS

INR 1,762 Crores
Revenue

INR 264 Crores
PAT

INR 743 Crores
PPoP

15%
PAT Margin

Presence in
24
States

1,146
Branches and Regional Offices

Present across
384
Districts &
79,460
Villages

INR 1,085 Crores
Market Capitalization
(as of March 31, 2023)

26.9 Lakhs
Active Loan Accounts

INR 7,390 Crores
Disbursement

341
Lives Impacted through CSR Activities

100%
Onboarding New Customers Digitally

100%
Of Cashless Disbursements

80%
Branches have Paperless Operations

Holistic
Training and Skill Development Programmes

41.1 hours
Average Training Hour per Employee

3,588
Additions Made in the Team

5 Years
Average Tenure of Senior Management Team

Reduced Emissions of
27,781 tons of CO_2

SDG LINKAGES

Our Products

Building a Comprehensive Portfolio

Our Offerings

The Joint Liability Group model enables us to provide microcredit loans without collateral to underserved women in rural and semi-urban areas with limited access to traditional financial service providers.

Income Generation Loan (IGL)

To enhance the income-generating potential of our clients, we provide IGL loans for several purposes related to agricultural, transportation, trading and production-related business operations. These loans assist in supporting the upliftment of the underprivileged segment of society.

16,24,066
Loans disbursed in FY23

Delivering granular financial solutions, our Company extends loans starting from as low as **INR 10,000** up to **INR 75,000**, catering to a wide range of individual needs.

Water and Sanitation (WASH) Loans

Focused on improving the quality of life of our clients, we offer loans for the construction of sanitary facilities and potable water. Additionally, we guide our customers on the right use of funds and quick repayment.

91,830
Loans disbursed in FY23

Empowering access to clean water and sanitation, our Company offers flexible WASH loans ranging from **INR 10,000** to **INR 35,000**, ensuring affordability for all.

MSME Loans

We provide loans to micro, small and medium enterprises (MSMEs), including but not limited to merchants, retailers, wholesalers, manufacturers, service providers, salaried individuals, self-employed professionals and agricultural businesses. Our aim is to assist them by fulfilling their working capital requirements and facilitating their business expansions. By offering flexible financial solutions, we aim to foster sustainable growth within the MSME sector.

Empowering MSMEs with customized loans, our disbursal ranges from **INR 1 Lakh** to **15 Lakhs**, fueling their growth and success.

Our Customized Offerings

Enhancing the quality of life in local communities is one of our foremost priorities. To this end, we have incorporated a social charter into every aspect of our corporate culture. We are currently providing customized loans to assist local communities in several parts of the country to provide access to clean energy, better transportation, clean drinking water, sanitation facilities and business loans.

Solar Energy

With the growing adaptability of solar energy solutions, we offer comprehensive financing options for extended lighting facilities (like solar energy products) in electricity-deficient areas, catering to the diverse needs of households.

296
Loans disbursed in FY23

Cycles

Empowering mobility and efficiency, we specialize in offering flexible loans for the acquisition of bicycles, enabling our clients to optimize their commute and enhance productivity

3,937
Loans disbursed in FY23

Home Appliances

Enriching daily lives through our home appliance financing solutions, we proudly provide a range of options to support our customers' needs.

5,675
Loans disbursed in FY23

Mobile Phones

Our flexible financing options cater to the diverse needs of small businesses and individuals from lower-income households, ensuring access to affordable smartphones and enabling seamless communication in today's digital world.

21,471
Loans disbursed in FY23

Deepening Engagement with Stakeholders

As a responsible corporate entity, we realize how crucial effective communication with stakeholders is to clearly define our value proposition. We have identified customers, employees, shareholders, investors and analysts, communities, vendors and regulatory authorities as our key stakeholder groups.

STAKEHOLDER GROUPS	IMPORTANCE	MODE OF ENGAGEMENT
Customers	Serving our customers through our diverse offerings while meeting their individual needs. Dedicated to providing responsible lending services at transparent and competitive rates.	Centre meetings Digital tools House visits Notice board Interaction at the branches Surveys and feedback
Employees	Building a robust culture of innovation and productivity while also encouraging ethical behaviour. Prioritizing diversity and inclusion at the workplace.	Internal meetings Training and development programmes Employee engagement activities Feedback
Regulators and Government	Through active engagement with regulatory bodies, we stay updated on changing regulations, ensuring our policies are regularly updated to align with their guidelines.	Regular and timely exchange of information Regular meetings (onsite and offsite)
Community	Actively engaging in rural development to give back to the community.	CSR initiatives Financial literacy workshops Health Camps
Investors and Shareholders	Maintaining, transparency and sustainability for long-term investor and shareholder value.	Quarterly investor presentations Public disclosures Annual general meeting Annual report Website

Stakeholder Speaks

OUR CLIENT

I have been associated with SCNL family since 2014, and I can confidently say that it has been an incredible journey. When I first approached Satin, I was a daily wage earner struggling to make ends meet. However, **with their unwavering support, I was able to explore new avenues and start my own grocery business**. From the very beginning, they have treated me like a valued client, always going above and beyond to ensure that my loan procedures are smooth and hassle-free. Their services are incredibly efficient and fast, making the entire process convenient and stress-free. Today, I am proud to say that I employ two workers and my business is flourishing. This success would not have been possible without the constant support and encouragement from Satin.

Asha Devi
Hapur, Uttar Pradesh

OUR EMPLOYEE

When I joined SCNL, I had a strong desire to grow and learn, but what truly engaged me in this organization was the profound impact it has on people's lives. **Throughout my tenure at Satin, I have been presented with numerous opportunities to grow and develop across various verticals**. From my initial role in Field Compliance to handling Policy and Process, and later contributing to the organization's strategy and supervising collections +420 bucket across a nationwide network, I have gained a comprehensive understanding of the business and its operations. The support and guidance I have received from my colleagues and superiors have been invaluable in my professional development. I am honoured to be a part of Satin and look forward to many more rewarding years ahead.

Trishita Singh
General Manager, Strategy Department

OUR CSR STAKEHOLDER

I am delighted to express my heartfelt appreciation to Satin Creditcare Network Limited for their remarkable contribution to GNA University through their CSR funds for scholarships. **Their commitment to empowering students with financial support has had a profound impact on the lives of aspiring individuals, and I am grateful for their dedication to fostering educational opportunities**. SCNL's decision to extend scholarship for economically weak students has opened doors of opportunity for numerous individuals, enabling them to pursue their dreams and excel academically. This act of social responsibility by SCNL's not only demonstrates their commitment to corporate citizenship but also their deep understanding of the importance of education in the development of society. I extend my heartfelt gratitude to Satin for their dedication to the development of education and society as a whole.

Gurdeep Sihra
President, GNA university

OUR LENDER

WorldBusiness Capital Inc. (WBC) has supported Satin Creditcare Network Limited with long-term financing for over 10 years. Following full repayment of an initial loan made in 2012, **WBC recently made a new loan to Satin based on the Company's excellent repayment history and steadily growing financial strength**. Satin has utilized the WBC loans to fund microloans to low-income women primarily using the Joint Liability Group lending model. With WBC's support, Satin has been able to reach an underserved segment of the Indian economy — women who require loans to improve the financial well-being of their households and small businesses. WBC greatly values the relationship with Satin and is pleased to assist the Company's commitment to impact-oriented growth in India.

Rohit Choudhary
Senior Vice President, WorldBusiness Capital, Inc

Materiality Assessment

We recognize that transparency and sustainability are key to our consistent growth. Thus, we proactively address the concerns that matter most to our stakeholders. By actively acknowledging their concerns and engaging with them, we aim to cultivate trust, nurture positive relationships and generate sustainable value for all.

We identified several materiality topics that are important to key stakeholders while mapping the key business priorities for decision making.

ENVIRONMENT

MATERIAL TOPIC	DESCRIPTION	CAPITALS IMPACTED
Energy Management	Our electricity consumption is meticulously tracked. We have policies and processes in place to ensure that energy consumption is optimal.	Manufactured Capital Natural Capital
Environment Conservation	Being mindful of our environmental footprint, we make climate change mitigation one of our top priorities. We are firmly investing in the development of a cleaner and safer future for all as one of India's leading MFIs. We have appropriate policies and practices in place to promote green lending and ESG driven business outcomes in addition to optimizing our own resource use.	Intellectual Capital Natural Capital Social and Relationship Capital

SOCIAL

MATERIAL TOPIC	DESCRIPTION	CAPITALS IMPACTED
Innovative Products	Having a profound comprehension of our customers' needs, we offer targeted financial services, which is a crucial element in forging enduring customer relationships.	Intellectual Capital Social and Relationship Capital Financial Capital
Customer Satisfaction	As a testament to our commitment and trustworthiness, for over 56% of our customers, we are the single lending provider. 46% of our clients have been with us for a duration exceeding five years.	Intellectual Capital Financial Capital

MATERIAL TOPIC	DESCRIPTION	CAPITALS IMPACTED
Financial Performance	Keeping up with our commitments while generating interest from investors through equity infusions is assisting us in expanding as a Company and meeting the expanding needs of our target clients.	Intellectual Capital Social and Relationship Capital Financial Capital
Community Development	Committed to educating our clients about the opportunities available to them, we leverage our expertise and resources.	Intellectual Capital Social and Relationship Capital
Employee Engagement	We prioritize long-term relationships and invest in an engaged workforce. Our team is motivated through a range of financial and non-financial incentives to consistently deliver their best.	Intellectual Capital Social and Relationship Capital Human Capital
Training and Development	We have implemented a strategic and comprehensive approach to learning and development, ensuring that each employee has the opportunity to reach their full potential.	Intellectual Capital Human Capital

GOVERNANCE

MATERIAL TOPIC	DESCRIPTION	CAPITALS IMPACTED
Customer Privacy and Data Security	At our Company, we recognize the critical importance of effective data governance. It is not only a key component of our corporate governance and risk management framework, but also an essential aspect of our compliance procedures and employee and customer engagement policies. We take great pride in being one of the pioneering MFIs to achieve ISO 27001:2013 certification, which underscores the robustness of our information security management system.	Intellectual Capital Social and Relationship Capital Financial Capital
Responsible Lending	Our offerings are built on principles of reliability, ethics, fairness, and transparency, ensuring that our customers can trust in our support in every step of their financial journey.	Intellectual Capital Social and Relationship Capital Financial Capital
Corporate Governance	To track our operations around-the-clock and rate their quality while upholding the best corporate governance practices, we have developed various innovative tools. Our governance framework was built on the tenets of fairness, trust, transparency and integrity by our Board and senior leadership.	Intellectual Capital Social and Relationship Capital Financial Capital

Risk Management Framework

Enhancing risk receptiveness, lowering operational volatility and aligning risk appetite with strategies are just some of the risk management practices we have incorporated into our business operations.

The Company's risk management approach focuses on risks that could affect our business performance.

By considering the expectations of our stakeholders' regarding a sustainable business along with the opportunities and risks that arise from meeting those expectations, our materiality analysis broadens our perspective.

Our risk management strategy aims to evaluate risks on a constant basis, assessing likelihood and impact to ensure that the most critical risks to the Company receive the requisite focus and attention from our management team.

Key Business Strategies

are supported by business goal setting and direction provided by the Board and the senior leadership

Risk Identification, Analysis, Response, and Monitoring

led by the senior leadership through continuous monitoring of the various factors material to the business. This undergoes continuous overview and monitoring of the Board

Risk Mitigation Strategy

continues to evolve over time in response to the risks identified. This is the primary responsibility of the Board, percolated to the various business functions for action and implementation.

Risk management framework contd...

Risk Category	Mitigation Strategy
Credit Risk The Company is susceptible to financial loss if a borrower fails to make payments as agreed.	The Company mitigates credit risks by following prudent lending strategies, robust credit appraisals, and underwriting processes to minimize the loss due to default. The Company has been implementing an Early Warning Signal (EWS) framework wherein the portfolios are showing signs of stress is identified earlier and corrective measures initiated to minimize future losses. This is first of its kind initiative in the MFI industry.
Compliance Risk Infractions of regulations result in severe actions and penalties from the Regulators or Statutory Authorities.	The Company complies with all regulatory frameworks imposed by the respective authorities and reports on time to mitigate any non-compliance risks. The Risk Team has initiated two steps: i. Continuous monitoring of the regulatory development framework to factor in the risk emanating threat. ii. In discussion to have an automated system for compliance risk.
Operational Risk Possibility of losses resulting from insufficient controls over internal processes, people, systems, and operations.	The Company has established controls, checks, and a real-time reporting structure to mitigate the risk of losses due to operational failures. The Company has already implemented a transaction monitoring mechanism (Automated System) and monitoring AML/CFT guidelines.
Information Technology/Cyber Security Risk The Company handles sensitive financial data and is a prime target for cyber criminals. Instances of data breaches, phishing ransomware, and advanced persistent threat (APT) lead to disruptions in business operations, as well as financial and reputational losses.	The Company is committed to protecting its clients' information and maintaining confidentiality. The Company is certified with ISO 27001:2013 certificate and maintains a robust Information Security Management System (ISMS) that helps safeguard sensitive customer data.

Risk Category	Mitigation Strategy
Liquidity Risk Due to a skewed asset-liability profile, a liquidity crunch could result in significantly higher costs of funds.	The Company has prudent asset-liability management and a well-diversified liability profile to insulate it from market turbulence.
Interest Rate Risk Owing to fluctuations in the interest rate, negative impact on cost of fund does pose a risk to long-term business sustainability.	As per the business model, the Company lends at a fixed rate and borrows at a floating rate. However, the recent RBI regulations are a welcome change, allowing the Company to incorporate risk pricing while lending.
Climate Risk A region's unfavourable climatic conditions may harm the income of borrowers, thereby increasing the risk of repayment of their borrowings.	The Company has a wide network of operations across 24 states to limit the adverse impact of climatic conditions in specific regions. As we deal in financial services products, we have no physical climate risk as such. Transition Risk: Risk of regulatory actions on the industry are there. We have developed strategies to identify and mitigate the portfolio level risk because of changes in climate/environment/ regulatory guidelines. The Company considers ESG as a deciding factor while giving the go-ahead to the opening of a new branch, alongside business and risk.
ERM Risk Enterprise risk management (ERM) is a firm-wide strategy to identify and prepare for hazards to a Company's finances, operations, and objectives.	The Company has incorporated an ERM framework to quantify and measure comparative movements. ERM frameworks help establish a consistent risk management culture, regardless of employee turnover or industry standards. They guide risk management functions and help enterprises manage complexity, visualize risk, assign ownership, and define responsibility for assessing and monitoring risk controls.

Ensuring Good Corporate Governance

Ensuring sound corporate governance has been instrumental in conducting our business responsibly for over three decades. Our corporate governance philosophy permeates every aspect of our organization, including our core values, our established policies and our compliance with all applicable rules and regulations. In addition, we endorse the integrated reporting framework and the ESG (Environmental, Social and Governance) model of reporting. This enables us to deliver improved and more comprehensive disclosures, communicating our dedication to business sustainability more effectively.

Key Aspects of Corporate Governance

Independence of the Board

Our Board comprises a suitable mix of Independent and Non-Independent Directors, ensuring the preservation of its independence and distinguishing the Board's governance duties from the Company's management responsibilities. The Board, consisting of seven members, comprises five independent directors, one of whom is a woman. The Board is diligently committed to adhering to all regulations as established by the governing authority.

Board Meetings

The Board is firmly dedicated to the prudent utilization of the Company's resources. It places emphasis on conducting meetings virtually as often as feasible and has transitioned to a paperless operation by employing the Board PAC software. During the fiscal year 2023, a total of seven Board meetings were conducted.

Governance Policies

Our Policies Include

- Code of Conduct
- Prevention of Sexual Harassment (POSH)
- Social and Environment Policy
- Corporate Social Responsibility Policy
- Fair Practice Code
- Zero Tolerance Policy
- Whistle Blower Policy
- Internal Audit Policy
- Fraud Risk Management Policy
- Material Subsidiary Policy
- Materiality of Transactions
- Succession Plan Policy

Board Committees

The Board has instituted multiple committees to aid in the execution of its diverse responsibilities. These committees are composed of subject matter experts and independent members, who collaborate to form diverse teams. In line with the statutory requirements, all principal committees are headed by independent directors, reflecting our commitment to balanced governance.

Compliance

Compliance measures help us build trust with customers, investors, and regulatory authorities, positioning ourself as a responsible and reliable financial service provider. The Board of Directors reviewed the compliance with all applicable laws and the steps taken to rectify instances of non-compliance, if any, on a regular basis. We are in compliance with all mandatory requirements of Listing Regulations.

Board of Directors

C C C M M

Mr HP Singh
Chairman cum Managing Director

Mr HP Singh, aged 62 years, is a law graduate and fellow of The Institute of Chartered Accountants of India since 1984. He has over three decades of microfinance experience to his credit and is responsible for pioneering the unique concept of daily collection of repayments of loans. Aside being an expert in lending, particularly in the microfinance field, Mr Singh also has a wealth of experience across auditing, accounts, project financing, advisory services and Company law matters. It is his financial engineering acumen, honed over almost thirty years of experience that has helped SCNL achieve its success in operational strategy and efficiency. Mr Singh also participated in Harvard Business School's Accion Programme on Strategic Leadership for Microfinance in 2009, as well as the Leadership Programme organized by Women's World Banking at Wharton Business School, University of Pennsylvania in 2011. He is a part of industry forums like Sa-Dhan, where he serves as the Chairman and the Federation of Indian Chambers of Commerce and Industry (FICCI), where he lends his expertise as a banking and financial institution committee member. Mr Singh has been an inspiration right from the very beginning when the Company came into being in 1990, till today where he continues to be actively involved in the Company's day-to-day operations. Under his leadership, SCNL has grown into one of India's leading microfinance institutions in the North and is poised to further expand its operations across the country.

M M M

Mr Satvinder Singh
Non-Executive and
Non-Independent Director

Mr Satvinder Singh, aged 57 years, holds extensive consumer marketing and finance experience and has developed new methods of credit appraisal and marketing for SCNL as Company Director. Associated with the SCNL since its inception in 1990, Mr Singh also acted as Managing Director between September 1995 and February 2011.

C M M C

Mr Sundeep Kumar Mehta
Independent Director

Mr Sundeep Kumar Mehta, aged 61 years, is a science graduate from the University of Rajasthan and holds a PG Diploma in Business Administration from the Annamalai University. He has also earned numerous other certifications, degrees and diplomas in the fields of cyber law, history, labor laws, auto engineering and human resources. Mr Mehta joined the SCNL board in 2013 after a versatile career spanning 15 years that saw him working in high-capacity roles across organizations like the RKJ group, Escorts Ltd., Panacea Biotech, Bata India and Eicher Good Earth.

● Audit Committee | ● Nomination & Remuneration Committee | ● Asset Liability Management Committee | ● Corporate Social Responsibility (CSR) Committee | ● Risk Management Committee | ● IT Strategy Committee | ● Stakeholders Relationship Committee | ● Working Committee | M – Member | C – Chairman

Ensuring Good Corporate Governance contd...

M M

Mrs Sangeeta Khorana
Independent Director

Mrs Sangeeta Khorana, aged 59 years, is a former Indian Civil Services officer with a Doctorate in International Economics from the University of St. Gallen in Switzerland and summa cum laude Masters' degrees from the Universities of Berne, Switzerland, and Allahabad, India. Dr Khorana joined the Board in August 2013. With a veritable treasure of experience spanning more than 16 years, Dr Khorana previously worked with the Indian Government, before moving to academia and consulting in Europe. Her expertise on international business is renowned across the globe and she has been invited by the European Parliament and the British media to offer her valuable comments on India-related issues. Dr Khorana has also published extensively in internationally ranked journals, authoring books and contributing chapters as well.

M M M

Mr Goh Colin
Independent Director

Mr Colin, 56, is the Founder/CEO of The RICE Co. Ltd, a company committed to harvesting artistic talent of the underserved children and youth in our community, a programme he started in 2005. Today, the company (TRCL) is a highly-diversified group of companies that provides education and training for the underserved in content making and producing, phygital placemaking with a focus on emergent technology and an impact investment Company with offices in Singapore, Malaysia, and the Philippines. The Company's intention will always be social, but this does not preclude it from being very entrepreneurial.

Mr Colin serves on board of several government and non-profit organizations in Singapore. He is a member of the Board of Governor in Republic Polytechnic, Chairs the School of Technology for the Arts (STA), and the Innovation & Entrepreneurship advisory committee at Temasek Polytechnic. In addition, he is a Board member of The RICE Co Ltd, Global Cultural Alliance, Millet Holdings Group of companies, The Medici Water Mark, Independent Director for Think Through Consulting, Singapore and the corporate rep for Netxus Global and Nutrious Farm. He is also a strategic advisor to Caregiver Asia, a commercial champion and mentor with the National University of Singapore Graduate Research & Innovation Programme (GRIP) and a Board of assessor for Intercultural Theatre Institute.

Mr Colin holds a double degree in Economics and Finance and a Master in Business Administration (MBA degree) from the University of Technology, Sydney, Australia.

● Audit Committee | ● Nomination & Remuneration Committee | ● Asset Liability Management Committee | ● Corporate Social Responsibility (CSR) Committee | ● Risk Management Committee | ● IT Strategy Committee | ● Stakeholders Relationship Committee | ● Working Committee | M – Member | C – Chairman

C M M

Mr Sanjay Kumar Bhatia

Independent Director

Mr Sanjay Kumar Bhatia, aged 58 years, is a Chartered Accountant and Commerce graduate from the Delhi University. He has over 36 years of rich experience across leading corporates, startups and BAU environments, having worked in both sales management and strategy formation. He is now the Director of Community creation at Antara Senior Living Limited, where he is in charge of the creation of future communities for progressive seniors, the formulation of long-term strategy and tactical execution, as well as general management. He also provides consultancy on income tax, corporate tax and corporate law matters to various organizations. In his past career, he has served as Vice President and Head of Strategic Initiatives (Revenue) at Max Life Insurance and worked at companies such as Max New York Life, Vikas Motors Limited, Dinker Portfolio Private Limited, DMA of Citibank N.A. and GE Countrywide.

C M C

Mr Anil Kumar Kalra

Independent Director

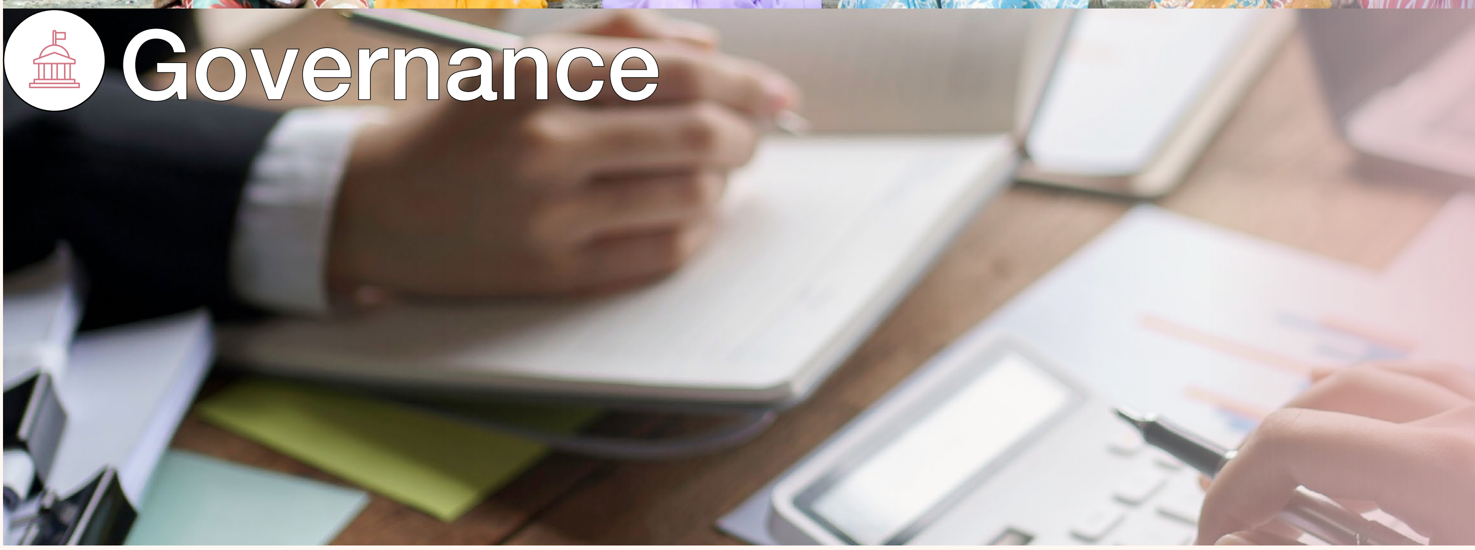
Mr Anil Kumar Kalra, aged 68 years, has 32 years of banking experience across leading companies in London and India. He is extremely well versed in the areas of banking, financial services, investment banking and infrastructure financing. He spent five years as the Chief Executive Officer in the Financial Services Company in London, UK, and has been associated with various well-known banks and financial Institutions across India and London, including public sector banks.

Prior to this, Mr Kalra served as Senior Vice President in a leading NBFC engaged in providing financial services to corporates (including asset financing, debt syndication, corporate advisory, merchant banking among others) and supported sister companies within the group with focus on infrastructure projects financing. He holds a Finance MBA degree from the Faculty of Management Studies (FMS), Delhi University and B.Com (H) degree from Shree Ram College of Commerce.

Audit Committee | Nomination & Remuneration Committee | Asset Liability Management Committee | Corporate Social Responsibility (CSR) Committee | Risk Management Committee | IT Strategy Committee | Stakeholders Relationship Committee | Working Committee | M – Member | C – Chairman

ESG Approach and Policy

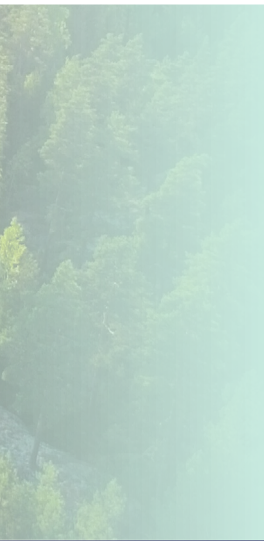
As a responsible player in the microfinance industry, we consistently strive to integrate Environmental, Social and Governance (ESG) factors in our core business strategy.



Measuring Success

MFI1 Grading: Highest MFI grading on an eight-point scale, implying consistent excellent performance on Operational, Risk and Process as well as Financials dimensions, Fitch Solutions, February 2023

Highest Grade C1 in Code of Conduct Assessment signifying excellent performance on Code of Conduct dimensions, SMERA, July, 2022



- Reducing Carbon Footprint
- Clean Energy Finance
- Innovative Products
- Enabling Paperless Processes

- Empowering Credit Support
- Community Welfare Initiatives
- Employee Training & Development

- Ethical Business Practices
- Fair Code of Conduct and Compliance
- Data Protection

Financial Capital

Our relentless focus on maintaining asset-quality and surplus liquidity enables us to maintain a strong balance sheet, thereby ensuring prudent capital allocation to meet the diverse needs of marginalized communities.

HIGHLIGHTS FOR FY 2022-23

INR 1,762 Crores
Revenue

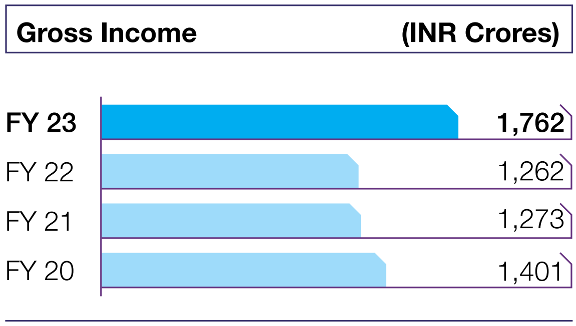
53.8%
Cost to income

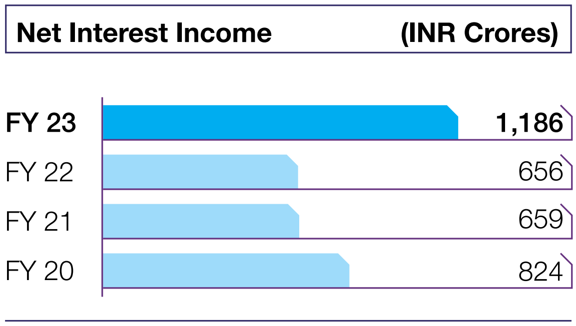
INR 743 Crores
PPoP

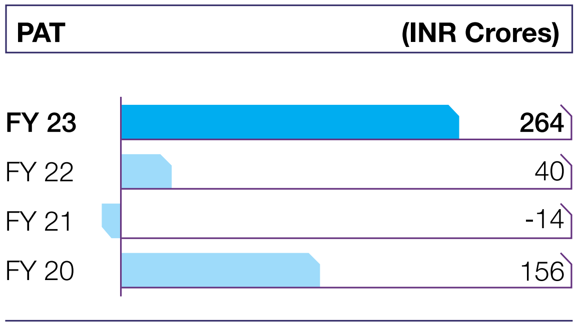
26.6%
CRAR

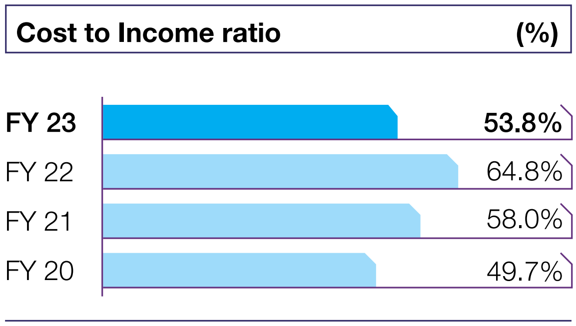
15.0%
Return on equity

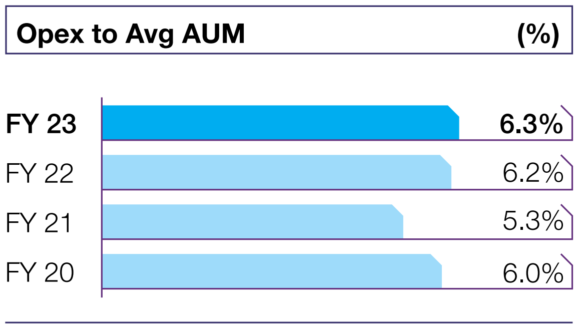
Our Financial Performance

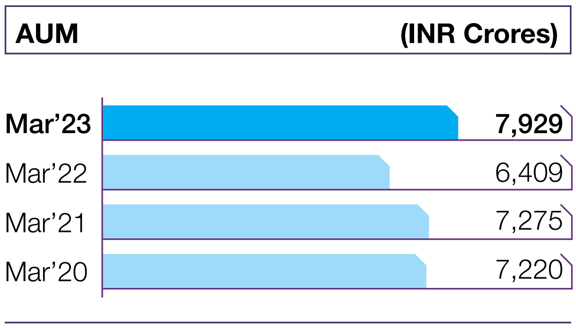












Despite the headwinds, we are able to maintain adequate liquidity levels, allowing us to increase our disbursements to pre-COVID levels and record our highest ever quarterly disbursements, while focusing on new customer acquisitions.

Financial Capital contd...

Creating Value

We implemented risk-based pricing in accordance with RBI guidelines, which has helped improve our net interest margin while enabling quality asset growth with excellent asset quality. Our thorough and strong underwriting capabilities aid us in maintaining cost-effectiveness while still offering our clients the doorstep services that this market demands.

Upgraded ticket sizes and a product portfolio customized to our customers' needs have been critical steps in leveraging our existing client base. Our strong on-the-ground team assures high attendance and regular communication at center meetings, ensuring prompt repayments. Moreover, close and long-term relationships with borrowers substantially aid in the collection of stressed assets.

Enhancing Liquidity and Building a Strong Capital

We have made strategic efforts to enhance liquidity, reduce operating costs, and strengthen our capital position. We recognize the importance of efficient processes and optimal resource utilization in achieving these objectives. We have implemented streamlined processes and robust underwriting strategies specifically designed for small-ticket loans. By employing effective risk management techniques, we ensure that loans are extended to creditworthy individuals and businesses, mitigating potential default risks. Additionally, we leverage non-financial data and scorecards to make informed lending decisions, further enhancing the accuracy and efficiency of our underwriting process.

Above
25%
CRAR over the last 5 years

~INR 1,000 Crores
Liquidity

During the year under review, we successfully raised INR 6,846 Crores from various lenders. Our network of resources is diverse and we work with more than 65 lenders. The Company has been able to see regular equity infusions even at the time of pandemic. From Financial Year 2021-22 to till now, we have received a sum of INR 137 Crores out of INR 225 Crores of preferential allotment via the issue of equity shares and fully convertible warrants.

3.5%
Return on Assets (RoA)

Asset Liability Management

Our asset-liability management framework focuses on adequate liquidity and successfully controls risks associated with fluctuating interest rates. By comparing the maturity of assets to the maturity of liabilities, we ensure Asset liability management (ALM). With adequate liquidity levels and a well-strategic liability profile in accordance with our loan portfolio, we have maintained a strong ALM with a positive cumulative mismatch. Our diverse funding sources, emphasis on high-quality liquid assets and interest rate risk management strategies have all significantly contributed to our success.

18.2 months
Average maturity of assets

25.9 months
Average maturity of liabilities

Global Funding

Our ability to attract global funding demonstrates our strong financial position and commitment to responsible lending practices. We are in discussions with potential investors and lenders for foreign funds to help bolster liquidity as we gear for growth.

In the past, Oesterreichische Entwicklungsbank AG, BlueOrchard, World Business Capital, Responsibility Investments and several other leading financial institutions have helped us raise debt. In terms of the type of lender and the instrument type, we have maintained a diverse liability profile and as of now, around 50% of our active lender base are foreign banks and overseas funds.

During the fiscal year 2022-23, we raised approximately INR 1,426 Crores of foreign debt. Our association with DFIs and Impact Lenders has deepened our social impact. The diversification of our funding sources and strong liquidity profile validates our vision of financial inclusion and robustness of our business model.

Manufactured Capital

Our ability to maintain a strong branch network and offer a seamless customer experience allows us to take our services to the last mile and propagate our aim of financial inclusion for the grassroots of our society.

As we critically optimize our branch network, we prioritize innovation and operational efficiency to drive effective restructuring initiatives. Simultaneously, we continually enhance our cutting-edge digital framework to offer an unparalleled customer experience. Following a comprehensive analysis, we have opened 67 new branches in locations of strategic importance.

The Joint Liability Group Model, which is at the core of our business, focuses on providing credit to the economically marginalized sections of society. Moreover, the social collateral required by this model ensures the borrowers' ability to manage their credit efficiently.

KEY HIGHLIGHTS

₹ 26.9 Lakhs
Loan accounts

1,078
Branches

2.40 Lakh
Centres

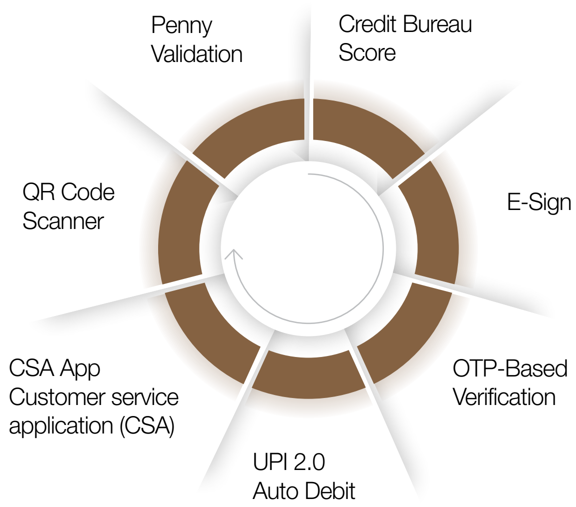
68
Regional offices

Building a Strong Ecosystem

We focus on meeting our customers' needs, investing in employee development, attracting varied investors, maintaining strong relationships with lenders and regulators, and fostering community trust, which has helped us establish a strong foothold in the financial services industry.

Along with our subsidiaries, we are building a comprehensive ecosystem that offers a wide range of financial services and credit options to our clients. These includes unsecured small loans to secured loans with higher ticket sizes. This comprehensive ecosystem helps streamline the borrowing process and provides convenience to clients by offering multiple loan choices under one roof.

We are focusing on building a robust business ecosystem while leveraging technology which has helped us to provide customized solutions to our customers at a large scale.



Providing Services to Rural and Low-income Groups

Dedicated to providing credit facilities to India's underbanked populations, we focus on driving financial inclusion, responsible lending practices and investment in building a strong distribution network and providing support services, which has assisted us in establishing a strong presence in rural and semi-urban areas and empowering underserved households.

We understand our customers' changing needs and offer income-generating loans ranging from INR 10,000 to INR 75,000. We offer water and sanitation loans to meet clients' sanitation, health and hygiene needs, as well as Sahiyog loans to help raise working capital. To help our clients maintain a manageable monthly repayment amount, we have a bi-weekly repayment model. We also conduct financial literacy workshops for clients as well as surveys to enhance their personal development and understand their preferences. We have been transparent with our customers by providing them with fact sheets along with the Loan Card.

1,078 branches across 24 states
Serving predominantly female customers

77%
Based in India's rural hinterlands

Manufactured Capital contd...

Microfinance Index Survey by 60_Decibels

The Company stays relentless in its pursuit to drive financial inclusion, which remains the foremost principle of all round growth and economic development and we continually reinvest the best of our talents and resources into growing our business. Our clients have leveraged potential impact in their lives through our financial services, as per the microfinance survey conducted by the external agency, 60_Decibels. Through extending credit and support to the underserved population, we have improved their access to capital and facilitated the establishment and expansion of their businesses. The report emphasizes how increased access to financial services has positively influenced the quality of life for the marginalized, enabling them to invest and cover household expenses more effectively. Our efforts in building client confidence in financial decision-making and achieving financial goals have played a vital role in this outcome. By providing access to credit and financial resources, we have empowered individuals and businesses to expand their enterprises, create employment opportunities, and contribute to overall economic growth.

100%
Clients have never experienced unexpected charge or fee

94%
Clients have expressed the repayments are not a burden

58%
Based in India's rural hinterlands

25%
Clients say that their income has increased

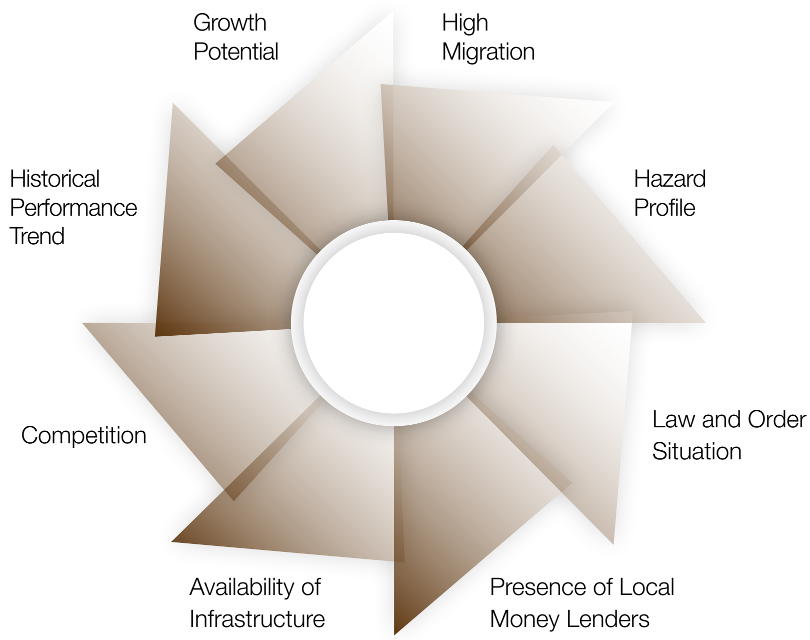
Restructuring our Branch Network

We have been investing in enhancing our branches to refine the customer experience, increase efficiency and lower costs. To offer seamless branch experience, we are leveraging technology, including the implementation of a core banking system, upgrading the branches and prudent investments in employee training and development programmes.

We are zeroing in on increasing operational effectiveness in addition to our expansion plan to open 50 to 60 branches in the near future.

24
States and UT's

Our primary concerns before opening a branch in a particular area include



Districts, States and Branches*

States

Branches

Districts

*On consolidated basis

Intellectual Capital

To ensure operational productivity and remain attuned to the needs of our customers, we are proactively adopting new age technology and driving innovation to sustain a competitive advantage. The strength of our intellectual capital lies in future proofing our business and enabling us to create shared value for our stakeholders

We focus on enhancing our technical processes to support digitization across the value chain. Leveraging innovative technology and ensuring effective knowledge management, we aim to create value for our customers. This has helped us develop new products, expand our distribution network and improve operational efficiency while leading to higher profitability and shareholder value.

We have implemented digitization across our operational value chain, from customer onboarding and credit underwriting to loan disbursement and collection and also delivered paperless transactions through our digital platforms. In contrast, our in-house enterprise management system makes it possible to update and develop systems quickly and affordably.

We have put systems in place for real-time monitoring of on-the-ground data, such as collections, meeting details and geotagging of field agents, among others. This enables the management to track operations across various levels of hierarchy in real-time, which shortens the turnaround time for disbursements.

KEY HIGHLIGHTS

100%
Cashless disbursement

End-to-End digitization
of field operations

7.14 Lakhs
New customers digitally onboarded during the year FY23

UPI 2.0 & CSA App
First in the industry

Creating Value

We have made prudent investments in our technology to offer a seamless experience to our clients. Additionally, we are also developing sustainable means of innovation to promote eco-friendly practices. We provide a digital solution that eliminates the need for physical paperwork, spanning from the initial stage of customer onboarding to the completion of the loan process.

80%
Branches have Paperless Operations

Our tablet and Customer Service Application architecture are designed to cater to remote rural areas with low or limited network coverage.

Innovation and Technology

We recognize the value of employing technology to boost productivity, improve customer satisfaction and spur innovation in the products and services we provide.

We deploy digital technologies to efficiently run our day-to-day operations:

Our Process

To further advance and develop the overall operations, we encourage our employees to submit creative ideas. We have been strongly emphasizing on cashless collection, use of information from credit bureaus, geo-fencing of centers and e-sign and iris technology. Our biometric-based O-KYC and e-Sign solutions offer a paperless, fraud-proof solution that is more practical and enhances client experiences. Our hybrid tablet software and customer service application serve remote rural areas with low network coverage. The CSA app now offers cross-selling and demo units of each products are available in the branch for demonstration.

Intellectual Capital contd...

Technology used in Branches

We are also using technology to enhance the experience of our feet on the street, including the implementation of efficient operational practices and the upgradation of our branch operations.

SaaS-based ERP solution

Disbursement and Cashless Collection

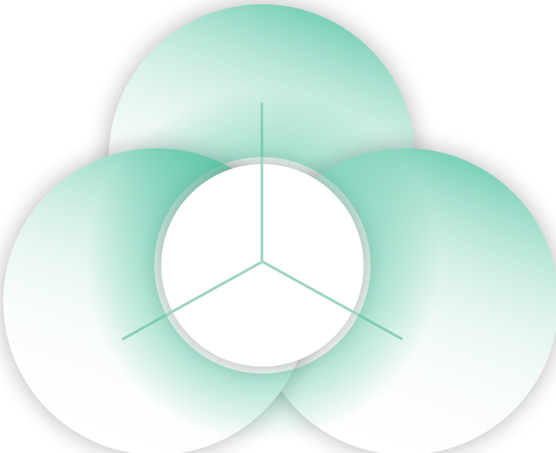
Hybrid mobile app-based solution to serve remote rural areas with low network coverage

Our Digital Platforms

Website	Our official website features an integrated payment gateway. This helps customers who are relocating temporarily for business purposes to make payments on time.
UPI 2.0	We introduced UPI 2.O autopay – The first one in the sector. It is a great alternative to E-NACH because of its one-time registration and hassle-free auto debits. The client is not responsible for paying any bouncing fees.
CSA	Our in-house created Customer Service Application makes it easy to pay using a variety of payment apps on a secure platform.
QR Code	Our QR code on the loan card has made the collection of EMIs easy. The client can pay his/her EMIs by simply scanning a QR code.

Received the Skoch Award in the silver category for our Loan Management System as a digitally enabled technological solution

Conferred with Best Digital Transformation Initiative Award - Microfinance Company at the 2nd Annual NBFC and Fintech Excellence Awards 2023 by Quantic, India



Sunil Yadav, Head - IT, was named one of the Top 100 BFSI Leaders in India by Trescon India on July, 2022 for demonstrating sheer excellence and innovation in the BFSI Industry category

Human Capital

We are cognizant of the crucial contribution of our workforce to the consistent growth of our Company. To foster their well-being and promote professional as well as personal development, we relentlessly undertake initiatives that foster skill development and create a conducive working environment that is ideal for nurturing an aspirational team.

KEY HIGHLIGHTS

9,222
Employees

3,588
New employees hired

6,125
Loan officers

Ranked 30th
In Top 100 Best Companies to work for 2023 by GPTW, India

People Philosophy

Maintaining stakeholder satisfaction remains a vital performance indicator that our Human Resources (HR) department consistently prioritizes throughout the year. To this end, numerous HR meetings have been conducted and the workforce has been continually engaged through virtual platforms. Simultaneously, we have reviewed and updated our policies to reflect the evolving needs and interests of our personnel. Moreover, to provide an empirical basis for our HR strategies, our HR division has initiated multiple surveys designed to assess the overall workplace environment and measure employee satisfaction. Through this cohesive approach, we ensure that our HR practices remain attuned to the aspirations and welfare of our talent pool.

Recognized as a 'Great Place to Work®'

We are widely acknowledged as the pinnacle of workplace excellence, where employees are cherished, empowered, and inspired to thrive in a culture of growth and fulfilment, and as a testament to that, we have been ranked 30th amongst 'Top 100 Companies to Work for' across all industries by Great Place to Work.

We have been recognized as 'Best Workplaces in the Microfinance Industry' for the second consecutive year. We have also earned a place among the Top 25 BFSI companies. With policies like Satin Sahyog and Satin Ease, we continue to priorities the well-being of our team members. As part of our commitment to being an equal opportunity employer and increasing women's empowerment within the Company, we have also joined with Value for Women Workshop, an initiative by one of one of our lenders, Swedfund. Satin Suraksha, Group Health Insurance, and Group Term Life/Personal Accident Policy are among the policies that work to protect the health and safety of all of our employees. All our people have been offered access to services such as DocOnline healthcare services and Karma Life Instant Loan, among others. Our Business Management Step Up Programme, Voice Channel with HR to ensure quicker assistance and query resolution and Appraisal and Development Conversations (ADC) have helped ensure the professional growth and retention of our top talent.

Capacity Building

We implemented the Train-the-Trainer Programme to enhance the operational competence of our Deputy Regional Managers (DRMs) and Territory Managers (TMs). This programme aimed to consolidate their knowledge and efficiency, equipping them with the skills to become trainers who can impart essential expertise to our field force. We carefully selected a significant number of candidates and conducted induction training across various regions, providing guidance and support to newly appointed personnel. Additionally, we organized promotional training sessions spanning six consecutive days for employees who recently received promotions within the Company.

At SCNL, we have a strong commitment to continuous learning, which is deeply ingrained in our organizational culture. To facilitate effective information dissemination and engagement among our field team, our dedicated training team developed comprehensive content covering procedures, products, updates, and branch awareness. We introduced DYK (Do you know) quizzes twice a week in each region, followed by the release of a monthly performance report.

We received the ETBFSI Excellence Award under the category of 'Best Operational Excellence Initiative of the Year' as a NBFC for the initiative 'Train the Trainers' at the 4th edition of the ET Awards

Training and Development

We invest in our workforce through comprehensive training and development programmes. Our 6-day induction module covers all aspects of our business, providing a comprehensive perspective for new joiners. Induction trainings and other trainings include sessions to educate our team members on the financial needs of our customers, largely rural and underserved individuals. Teams of committed employees received training to better understand the real purpose of loans, the fundamental procedures and customer centricity. We conducted regular branch visits and interactions with branch members and rural clients to identify areas for improvement. Refresher and other training sessions were then planned in response to those observations. We published the e-learning modules for front-line personnel using our internal learning management system. For internal promotions, we have an assessment development center process. Online testing and interviews are both part of this assessment development center process.

41.1 hours
Average training hours per employee (Training other than induction)

Human Capital contd...

Employee Well-being

We believe in effective communication while frequently organize routinely scheduled calls and virtual branch visits to help understand the pulse of the organization. Atoot Bandhan is a helpline that provides our team members with immediate assistance with queries. We offer advance leave that aids our people in difficult times. Our team members can use Satin Suraksha and Group Mediclaim to help cover their medical expenses. They can also avail themselves of sabbaticals and extended maternity or paternity leaves in case of exigency.

Employee Benefits and Perks

We are committed to fostering a supportive work environment for our employees. As an organization that values its workforce, we go beyond the norm to provide a comprehensive range of employee benefits.

Our team members are covered by group Mediclaim, EDLI and accidental insurance. We frequently organize health check-up camps for the well-being of our employees. People are also provided with a loan facility. Medical leaves are offered to all team members in excess of their leave balance in the event of an emergency. Female team members are offered Satin Ease. Our employee engagement initiatives help break the monotony of the workplace. We offer lucrative incentive pay outs and performance bonuses. We have a very attractive bonus structure which motivates our employees. Furthermore, interim promotions and Appraisal and Development Conversations (ADC) help contribute to the high yield.

Satin Ease and Extended Maternity Benefit are available to support all the female employees. We have a Prevention of Sexual Harassment (POSH) committee and policy in place, of which training is provided to employees during the induction. Learning resources are circulated among team members and included in all new hire orientation. The implementation of Zero tolerance to POSH across our business units has resulted in not a single harassment case been logged in a 10K + employee strength organization during FY23. We have facilitated programme for the employees such as 'DocOnline' and 'Karma Life' instant loan. Karma Life instant loan provides advance cash to the employees in order manage their unplanned expenses or emergencies.

Maximum, INR 15,000
Advance cash support is provided to the employees through Karma Life programme

Employee Engagement

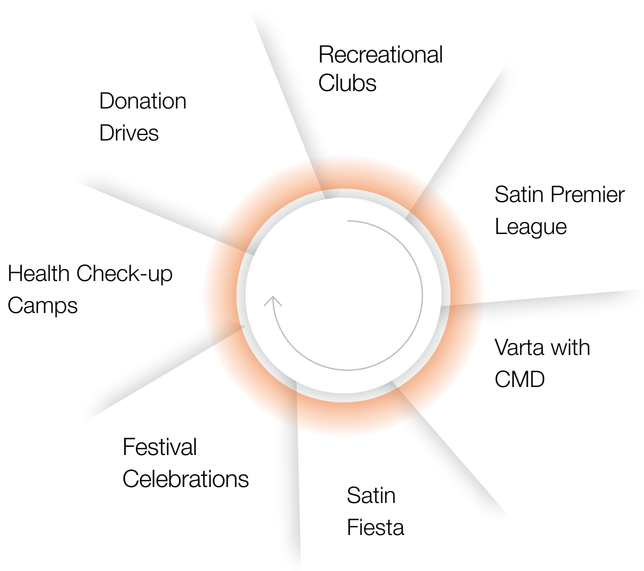
At SCNL, we understand that a motivated workforce is essential to our long-term growth and development. Our people are our chief growth drivers and brand ambassadors. We are aware that when our employees feel appreciated, supported and empowered, they are likely to be more productive, creative and dedicated to achieving our corporate objectives.

Our internal surveys, in addition to the GPTW survey and the Value for Women survey, are being launched frequently to take a deep dive into the organizational culture. While we have mapped out the incentive structure, our people are paid lucrative incentives based on their performance. Our referral Programme recognizes team members who support employer branding and hiring efforts on a mid-year basis for salary revision.

Our team members are covered by group mediclaim, EDLI and accidental insurance.

We frequently organize health check-up camps for the well-being of our employees.

Throughout the year under review, we conducted various employee engagement activities, which include:



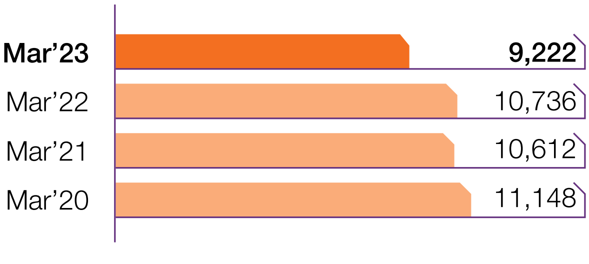
Diversity and Inclusion

The Company believes in equal opportunity for all its employees, wherein organization is committed to providing an inclusive work culture and an environment free from any discrimination. SCNL, as an inclusive employer actively that encourages the recruitment, and development of people with disability and ensures they have equal opportunities at workplace and strives to provide a safe, accessible and healthy work environment. Our hiring efforts are conducted through a neutral lens based on a resource's skill set and aptitude, regardless of gender. When a candidate is onboarded, the organization does not distinguish between candidates on grounds of designation or cost to Company. We have hired apprentice under National Apprenticeship Promotion Scheme (NAPS) which contribute to almost 10% of our active employees. By this initiative we enhance skills of newly graduated candidates and increase job opportunities in remote areas due to our presence across geography. We always believe in investing in young talent through our initiatives like Youth learning development programme and campus hiring which help us to attract the best talent.

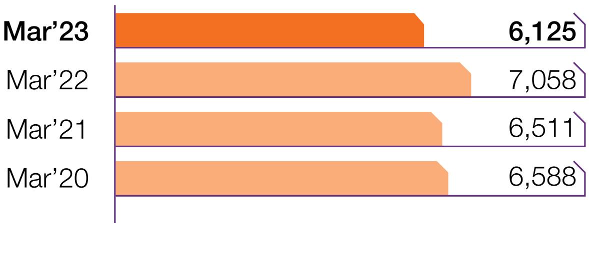
89%
Of our employees contributes to young workforce (18 – 35 years)

21%
female employees in our corporate office

Employees



Loan Officers



Natural Capital

We aspire to achieve sustainable growth and aim to continuously inculcate environment friendly practices. Along with the implementation of ecologically viable methods across our operations, we remain focused on enabling clients to adopt cleaner energy and secure a brighter future with the creation of better water and sanitation infrastructure.

Our Green Initiatives

We strive to design innovative loan products to enable women bring a positive change to their lives. We offer customized loans to facilitate customers' access to clean energy loans like solar and bicycle loans. By offering solar loans, we enable our clients to access home lighting systems that are powered by solar energy and participate in profitable activities. Our green loan partner, D. Light, recognized us for our contributions to society in commemoration of India's 50 million lives being transformed.

Satin Clean Energy Programme

With the objective to provide clean energy solutions to millions of Indians, we partnered with MicroEnergy Credits (MEC) as part of their global carbon programme in 2020. Our dedicated endeavours to reaffirm our commitment as an environmentally conscious and responsible organization to reduce carbon emissions have helped us to touch lives of over 3 Lakhs people. By facilitating specialized loans, we empower our customers to embrace clean energy solutions and contribute to a sustainable future.

The Satin Clean Energy Programmme serves as an example of our commitment to providing a tailored financial solution to the unbanked sections of society.

27,781 tones
Reduction of CO_2 emission

4,63,500
Households provided with solar products

Reduction in Energy Consumption and Water Usage

Our corporate headquarter is a green building with numerous energy-saving features. Solar panels on the roof help reduce electricity costs. Wastewater is processed and utilized for sanitation in a Sewage Treatment Plant (STP) and radiant cooling saves up to 30% on air conditioning equipment and electricity expenditures.

Owing to the nature of our offerings, our consumption of natural resources is limited to running our business operations seamlessly. However, the organization recognizes the significance of energy conservation and the use of technology in its operations. We occasionally organize plantation drives in an effort to support the preservation of the environment. We have also planted plants in the head office space.

300 units per day
Generated through solar panels

Green Building

We have made significant strides towards sustainability with our green building initiative. Our corporate headquarters stand as a prime example of our commitment to environmental conservation. The building incorporates various innovative features designed to minimize its ecological footprint while maximizing efficiency. The façade of the headquarters showcases double glass panes on windows and doors, effectively blocking outside noise and conserving energy by allowing ample sunlight to illuminate the interior spaces. This strategic design not only enhances the working environment but also reduces the dependency on artificial lighting, thereby lowering electricity consumption. Moreover, the rooftop of the building is adorned with solar panels that harness the power of the sun. These panels generate 100 kW of electricity, significantly reducing the organization's reliance on conventional energy sources and leading to substantial cost savings. This sustainable energy production contributes to a greener and cleaner future.

Our Initiative Towards a Sustainable Environment

We at Satin believes in creating solutions that support sustainable development, protect the environment and address environmental concerns. As a result, we are gradually implementing electronic document management and other digital tools to completely eliminate paper use. To manage end-to-end loan processing and onboard new clients, we have steadily increased the use of tablets in our field work. Even the Board prioritizes the wise use of the Company's resources; it holds virtual meetings as often as possible and has gone paperless by utilizing the Board PAC software. We have entirely stopped using single-use plastic items in accordance with government guidelines.

Social and Relationship Capital

Our determination to make a meaningful impact on communities inspires us to undertake initiatives that are designed to build stronger bonds with stakeholders. Keeping value creation at the core of our endeavours, we engage with people from diverse socio-economic backgrounds and seek to nurture healthy relationships that foster inclusive growth.

We are actively building an organization where financial empowerment meets social responsibility. Focusing on making a positive impact goes beyond providing financial services to marginalized communities; therefore, we endeavour to drive financial inclusion while prioritizing sustainable value creation for our stakeholders. We continue to implement stakeholder engagement programmes and are working towards empowering women.

To build a more sustainable future for all, we have always concentrated on aligning our goals with the Sustainable Development Goals (SDGs). To ensure the provision of quality education and growth opportunities for consistent learning, we successfully funded scholarships for less privileged students at GNA University of Punjab and the construction of a primary school in the village of Harswara, Uttar Pradesh in FY22-23.

Our Consumers

We use a range of techniques to inform people about the benefits of our services. To identify potential customers, we first conduct a village survey and then organize an Open General Meeting (OGM), where our Community Service Officers (CSOs) inform interested members of the community about services.

Our Branch managers conduct house visits after the OGM to provide more individualized information to clients and resolve their queries. To ensure that potential customers fully comprehend our goods and services, we also arrange Compulsory Group Training (CGT) and Group Recognition Tests (GRT). Our CSOs continue to communicate with clients after they have obtained a loan from us during Centre Meetings. This enables us to maintain a close relationship with our customers and to continuously educate them about the advantages of our goods and services.

Community

Enhancing Female Entrepreneurship

With a strong commitment to advancing women's empowerment, we offer targeted, need-based and bespoke financial service to female entrepreneurs as part of our effort to drive financial inclusion. Our credit facilities increase their access to health and education and fosters social well-being among vulnerable and underprivileged communities.

2.6 Million
Women Borrower

Maintaining Transparency with Customers

We were among the first few microfinance institutions to be certified for Client Protection Principle (CPP) for upholding high standards of client protection as produced by Smart Campaign. Since then, we have considered the six Client Protection Principles to be of utmost importance and got the certificate renewed in 2021.

Grievance Redressal Mechanism

Clients

We understand the importance of establishing an efficient framework to address and resolve any concerns our clients may have. To ensure prompt and effective grievance redressal, we have implemented a dedicated mechanism called Sparsh.

Through Sparsh, client complaints are swiftly directed to the respective department heads, ensuring that they are promptly attended to. Our team of dedicated executives provides immediate support and works diligently to resolve the complaint within the specified time frame. If a complaint requires further attention, it is escalated to the Sparsh Single Point of Contact (SPOC) at our SCNL head office. We take great pride in our robust grievance redressal process, which enables us to address customer complaints within the designated Turnaround Time (TAT).

100%
Client complaint has been resolved

Social and Relationship contd...

Employees

To ensure the well-being of our employees, we have established a robust and transparent grievance redressal mechanism that provides employees with a safe and confidential platform to raise their concerns and complaints. Our dedicated Employee Grievance Redressal Helpdesk, known as 'Atoot Bandhan', serves as a valuable resource for employees seeking resolution. Through this helpdesk and our toll-free number, we strive to address employee grievances promptly, adhering to the specified turnaround time. Our commitment lies in upholding the rights of our employees, fostering a culture of trust, and maintaining a harmonious workplace for all.

Stakeholder Engagement Programmes

At Satin, we have a reciprocal relationship with our clients, where we listen and engage with them, which enables us to improve outcomes for customers, society and the environment.

Sanitation

Promoting appropriate sanitation and hygiene practices in the communities we serve is another priority for us. To this end, we provide our customers with loans for the construction of water facilities, bathrooms and toilets. With the help of these loans, our clients and their families get access to basic sanitation and hygiene facilities, which substantially enhance their quality of life.

Financial Literacy Programmes

Recognizing the need to educate our consumers about the significance of responsible financial planning, saving, and investing, we occasionally host financial literacy workshops.

In collaboration with RBI and Sa-Dhan, we organized three financial literacy programmes. These workshops were conducted in the states of Rajasthan and Uttar Pradesh, aiming to educate participants about the various benefits offered by regular banking services. Topics covered included prominent schemes like PMSBY (Pradhan Mantri Suraksha Bima Yojana), PMSSY (Pradhan Mantri Jeevan Jyoti Bima Yojana), Atal Pension Yojana, and the advantages of linking bank accounts with government initiatives. Through these workshops, SCNL demonstrated its dedication to enhancing financial literacy and fostering a financially inclusive society.

200
People were benefited

Flood Relief

To support the affected community hit by the flood, we conducted a flood relief activity in the regions of Khurda and Nimapada in Odisha, wherein we distributed rations, blanket and medications to those who were severely impacted with income sources.

Satin believes in being actively involved in contributing to the well-being of the less fortunate and crisis impacted in our society.

420 lives
were impacted

Health Camps

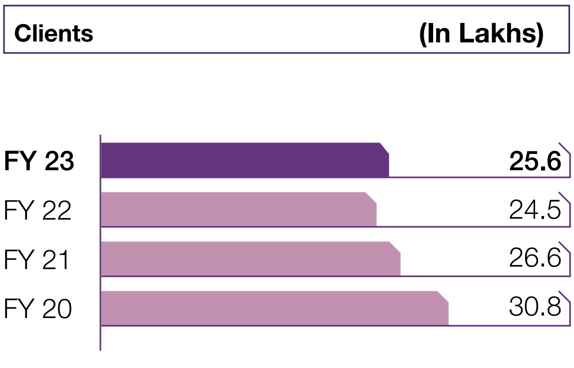
In collaboration with our partner DocOnline, we successfully organized two health camps in the states of Uttar Pradesh and Odisha. The primary objective of these camps was to provide basic health checkups and consultations to our valued clients. The camps commenced at 9 AM in the morning and continued until 6 PM in the evening, ensuring accessibility and convenience for all participants. Through the utilization of video conferencing technology, our clients had the opportunity to consult with experienced and senior doctors remotely, eliminating the need for physical visits and promoting safety in the current pandemic situation. Our health camps served as a testament to our commitment to the well-being of our clients, reinforcing our dedication to holistic care beyond financial services.

50 people
Benefited at Uttar Pradesh workshop

45 people
Benefited at Odisha workshop

Customer Retention and Loyalty

Exit client interviews and client satisfaction surveys are conducted often times to determine the reasons why clients leave, the level of satisfaction among current clients and the potential for further improvements to the current loan products, policies and procedures. To gauge client experience, we started a customer satisfaction calling Programme this year to collect feedback on the business from all of our closed complaints from previous customers. In Q4 FY 2022-23, the overall customer satisfaction rate for all connected calls was close to 99%.



Our CSR Plans

Education

Our core belief is that empowering people through education and skill development is the key to economic growth and poverty alleviation. Therefore, we work diligently to drive meaningful change through our Corporate Social Responsibility (CSR) initiatives, with a special focus on education.

We strive carefully to bring about significant change through our well-considered policies because we believe that empowering people through education and skill development is the path to economic prosperity and poverty eradication.

341 students
Benefited through CSR activities

₹175.45 Lakhs
Total CSR budget

1. Our initiatives include funding towards building a coaching center in the Indian village of Harswara, which is known for its low literacy rates, especially among females.

2. We have provided funding at the GNA university for the underprivileged students from the economically weaker sections of society to receive a quality education.

Investing in CSR activities through educational trust

Educational trust	Budget allocated (in ₹ Lakhs)
S. Amar Singh Educational Charitable Trust	173.45
Shafiq Ansari Memorial Trust	2.00

Acknowledgment of Our Efforts

Success Stories of Our Clients

Bhagayamma, driven by her entrepreneurial dream, embarked on her mobile canteen venture with the support of a loan from SCNL. Starting with a modest selection of food items, her determination and SCNL's assistance propelled her business towards success.

As Bhagayamma's canteen gained recognition for its unique flavours and quality, its popularity soared among local customers. Encouraged by this response, she recognized the opportunity to expand her reach and serve a wider audience. To fulfill this vision, she secured another loan from SCNL to establish a second mobile canteen nearby.

With each loan cycle, Bhagayamma's menu grew to offer a diverse range of delectable non-vegetarian dishes. Her unwavering commitment to exceptional taste and quality set her apart, leading to positive word-of-mouth and increased demand.

Today, Bhagayamma's mobile canteen stands as a celebrated establishment within the local community. Her dedication to excellence and ability to overcome challenges have been instrumental in her remarkable journey. Bhagayamma is immensely grateful for SCNL's unwavering support, which transformed her aspirations into a thriving business that brings joy to her customers. Satin played a pivotal role, enabling her to overcome financial obstacles and turn her dreams into reality.

Bhagayamma

Canteen business | Karnataka

Karamjit started her own dairy business to secure a better future for her family. However, she faced a major obstacle in the form of financial constraints. Despite seeking assistance from her extended family and friends, no one was able to provide her with the required loan amount. The local moneylenders charged exorbitant interest rates and demanded house papers as collateral, making it an unfeasible option for her.

In her quest for support, Karamjit approached Satin. Recognizing her potential and determination SCNL extended a helping hand by providing timely credit support specifically designed for individuals like Karamjit who aspire to start their own businesses.

With the loan she was able to purchase buffaloes and set up her own dairy. As her business began to flourish, her income and social status experienced an exponential growth. The increased earnings brought about by her thriving business not only improved their financial stability but also paved the way for a better future.

Through her hard work, determination, and the timely credit support from Satin, Karamjit's success has transcended beyond financial gains.

Karamjit Kaur

Dairy business | Faridkot

Monmi, a young woman with a passion for tailoring, faced numerous obstacles in pursuing her dreams. Aware of her financial limitations, Monmi learned about Satin from her fellow villagers and decided to approach their loan officer for assistance. Recognizing her talent and potential, Satin provided Monmi with the much-needed financial aid to start her small tailoring store. With the loans she availed, Monmi was able to level up her business by purchasing sewing machines, essential tools for her trade.

Emboldened by her success, Monmi decided to expand her offerings and introduced a range of garments for sale, adding versatility to her tailoring store. This strategic move further boosted her business and solidified her position as a reliable and skilled tailor in her village.

Today, Monmi stands as a shining example of financial independence and empowerment. Her successful business has made her financially immune, providing stability and security to her household. Monmi takes immense pride in the fact that she pursued her childhood dream without allowing difficulties to deter her. She plans to further strengthen her business and open another grocery shop nearby by opting for an MSME loan from Satin Subsidiary.

Monmi Terangpi,
Boutique Business | Assam

Bebi Devi lives in Himmatpur village in Dighwara, Saran, Bihar. Born into a underprivileged family, she was married at a very young age and soon had two children—one boy and one girl. Her husband worked as a daily wage labourer and did not have a regular income. There was a toilet at her new home, but it was not in good condition for use. She used to go out in the open to answer nature’s call.

Bebi Devi recalled that her new family did not consider toilet repair a necessary investment and, thereby, were poor on cleanliness and hygiene behavioural practises. Frequently, someone in the family became ill. She started supporting her family by earning a small income through work in others’ homes. Things were improving, but not having a well-usable toilet still bothered her, especially when she thought of her growing daughter. With expenses increasing on health and raising her children, she explained to the Satin team that she felt helpless, continuing that the Satin Sanitation loan was a ray of hope. When she became aware of her ability to access the sanitation loan from Satin, she decided to repair and improve the toilet. Now everyone in her family uses the improved toilet, practises handwashing with soap and more importantly, both children are happy and healthy.

Bebi Devi,
Wash Loan | Bihar

Awards and Recognitions

Awarded 'Skoch Award in the Silver Category for Loan Management System' at the 92nd Skoch Summit

Recognized as the 'Company with Great Managers', 2022 at the Great Managers Awards

Ranked 30th amongst the 'Top 100 India's Best Companies to Work for 2023' across all industries for the second year in a row by GPTW, India

Adjudged 'Best Employer in the Microfinance Industry' for the second year in a row by GPTW, India

Listed among India's 'Top 50 Best Workplaces' for creating and fostering an innovative culture in the organization by the GPTW, India

Recognized as the 'Great Place to Work' for the fourth year in a row by GPTW, India

Ms. Manvinder Kaur, DVP - Products, and Mr. Bharat Singh, VP - Operations, U.P. East & Rajasthan circle, recognized as the 'Great Managers 2022' by the Great Managers Awards. Ms. Manvinder Kaur selected under 'Top 100 Great Managers 2022' and Mr. Bharat Singh under 'Top 300 Great Managers'

Mr. Subir Roy Chowdhury, Head – Human Resources, awarded for his outstanding contribution during Covid-19 in motivating staff and clients by the Microfinance Association of Uttar Pradesh

Conferred with the prestigious 'Best Education Support Initiative of the Year 2022-23' award by the Indian Social Impact Awards 2023

Acknowledged for ‘Impactful Contribution in the Economy’ at the 4th Elets BFSI Game Changer Summit

Mr. HP Singh, CMD, conferred with the ‘India’s Most Trusted award’ by GPTW, India

Winner of the ETBFSI Excellence Award under the category of ‘Best Operational Excellence Initiative of the Year’ [NBFC/HFC/MFI] for the initiative ‘Every Leader Being a Trainer: Great Leaders and Great Trainers Have a Lot in Common’ at the 4th edition of the ET Awards

Mr. Sunil Yadav, Head-IT, recognized among the ‘Top 100 BFSI Leaders in India’ by Trescon India.

The Company bagged the ‘Best Digital Transformation Initiative Award—Microfinance Company’ at the 2nd Annual NBFC & Fintech Excellence Awards 2023

Accorded as the ‘Emerging name in Business Transformation Award’ at the Elets 2nd NBFC100 Leaders of Excellence Award

Bestowed with the Special Jury Award for ‘Overall Performance in All Areas’ at the 7th Eastern India Microfinance Summit 2023 by AMFI-WB (Association of Microfinance Institutions - West Bengal)

Mr. DHIRAJ JHA, CRO, bestowed with the ‘Excellence in Risk Management’ Award at the 4th Elets BFSI Game Changer Summit

Felicitated with the Best ‘On-Boarding Programme of the Year Award’ at the Learning and Development Summit and Awards 2022 organized by UBS Forums

REPORT OF THE BOARD OF DIRECTORS

Dear Members,

It is our immense pleasure to present the 33rd Annual Report along with the audited financial statements of your Company for the financial year ended March 31, 2023. The consolidated performance of the Company and its subsidiaries has been referred to wherever required.

Financial Summary/Highlights, State of Affairs

(INR in Lakhs)

Particulars	Standalone		Consolidated	
	March 23	March 22	March 23	March 22
Total Revenue	1,76,154.48	1,26,218.09	1,55,902.33	1,38,113.98
Total Expenses	1,40,434.17	1,18,903.27	1,53,538.89	1,33,086.35
Profit before Depreciation and tax	35,720.31	7,314.82	2,363.44	5,027.63
Depreciation and amortization expenses	1,620.27	1,378.79	1,839.37	1,609.77
Profit / (Loss) before Tax	**34,100.04**	**5,936.03**	**524.07**	**3,417.86**
Tax Expense	7,667.12	1,913.52	42.76	1,347.97
Profit / (Loss) after Tax	**26,432.92**	**4,022.51**	**481.31**	**2,069.89**
Other comprehensive income	(1,904.81)	(2,921.73)	(2,066.67)	(2,915.31)
Total comprehensive income for the year	**24,528.11**	**1,100.78**	**(1,585.36)**	**(845.42)**

OPERATIONS, FUND RAISE, PROSPECTS AND FUTURE PLANS

Operational Highlights in brief (Standalone basis)

- The aggregate Assets under Management (AUM) of the Company stood at INR 7,92,852.54 Lakhs as on March 31, 2023. This represents a year on year (YoY) growth of 23.7% as compared to March 31, 2022.
- Loan amount of INR 7,39,010.87 Lakhs was disbursed in FY2022-23, representing an increase of 83.3% as compared to FY2021-22.
- The Company disbursed 17,48,065 loans during FY2022-23, an increase of 82.6% over FY2021-22.
- Average loan amount disbursed per account during FY2022-23 was INR 0.43 Lakhs as compared to INR 0.42 Lakhs during FY2021-22.
- The Company has operations spread across 24 states & union territories and a total of 1,078 branches PAN India.

During the financial year under review, the Company saw ~7 times increase in its profitability with a net profit of INR 26,432.92 Lakhs for the year ended March 31, 2023 as compared to a net profit of INR 4,022.51 Lakhs for the year ended March 31, 2022. Profit before tax increased by ~6 times to INR 34,100.04 Lakhs. Total Income has increased from INR 1,26,218.09 Lakhs for the year ended March 31, 2022 to INR 1,76,154.48 Lakhs for the year ended March 31, 2023 which is mainly due to increase in Assets Under Management (AUM) of the Company and increase in lending rate as per new guidelines issued by RBI in this regard. The Return on Average Assets increased to 3.52% in FY2022-23 as compared to 0.53% in FY2021-22. The cost of funds increased to 11.35% in FY2022-23 as compared to 11.20% in FY2021-22. Net Interest Margin has improved to 11.62% (excluding extraordinary income of INR 35,200 Lakhs) in FY2022-23 as against 9.58% in FY2021-22. The Company's strong liquidity position provides significant headroom for growth. The Company has a CRAR of 26.62% as on March 31, 2023 as compared to 27.84% as on March 31, 2022.

Credit Rating

Your Company believes that its credit rating and strong brand equity enables it to borrow funds at competitive rates. The credit rating details of the Company as on March 31, 2023 were as follows:

Credit Rating Agency	Instruments	Rating
ICRA	Long Term Debt Ratings (Non-convertible Debentures)	ICRA A-
	Long Term Debt Ratings (Non-convertible Debentures – Subordinate Debt)	
	Long Term Short Term fund-based term bank facilities programme	
	Long Term fund-based term loan facilities programme	ICRA A (CE)
	Short Term Ratings	ICRA A1
CARE	Long Term Debt Ratings (Non-convertible Debentures)	CARE BBB+
	Long Term Debt Ratings (Non-convertible Debentures – Subordinate Debt)	
Fitch Solutions	MFI Grading	MFI1

Operation's highlights are hereunder:

Particulars	March 31, 2023	March 31, 2022
Number of branches	1,078	1,029
Amount disbursed (INR in Lakhs)	7,39,010.87	4,03,130.38
Number of active clients	25,59,406	24,54,130
Total Assets under management (INR In Lakhs)	**7,92,852.54**	**6,40,933.54**

Fund raised during FY2022-23:

(a) Resource Mobilisation:

During the year under review, your Company has continued to diversify the sources of funds and raised a total sum of INR 6,90,777.18 Lakhs by way of equity issuances, short-term loans, long-term loans, issue of non-convertible debentures, external commercial borrowings, securitization and assignments. Out of overall fund raised, INR 6,218.74 Lakhs were raised through equity issuances and INR 6,84,558.45 Lakhs raised through borrowings, which includes INR 28,525 Lakhs by issuance of non-convertible debentures and INR 1,99,350 Lakhs by way of term loan. The Company also raised two term loans through external commercial borrowing (ECB) route of INR 19,767.90 Lakhs. Subordinated Debts represented long term source of funds for the Company and the amount outstanding as on March 31, 2023 was INR 35,196.18 Lakhs.

(b) Bank Finance:

Bank Finance remains an important source of funding for your Company. Commercial Banks continued their support to your Company. As of March 31, 2023, borrowings from banks were INR 5,31,755.76 Lakhs as against INR 3,10,809.72 Lakhs in the previous financial year.

Please refer the **Management Discussion and Analysis Report** for more information.

(c) Preferential Issue

During the last financial year ended 2021-22, your Company had raised an amount of INR 2,499.99 Lakhs by way of preferential allotment and allotted 30,76,916 equity shares of INR 10/- each to entities belonging to non-promoter group at an issue price of INR 81.25 per share and simultaneously, issued and allotted fully convertible warrants ("**Warrants**") to entities belonging to promoter group and non-promoter group at an aggregate amount of INR 19,999.99 Lakhs at an issue price of INR 81.25. Further, out of entire consideration payable towards Warrants i.e. INR 19,999.99 Lakhs, the Company had received an amount of INR 4,999.99 Lakhs i.e., 25% of issue price before allotment of Warrants. Balance 75% would be infused at the time of conversion of Warrants i.e. within 18 months from the date of allotment of Warrants i.e. January 25, 2022.

During the financial year 2022-23, the following Warrants had been converted into equity shares, details are as follows:

i) On September 28, 2022 and March 16, 2023, your Company had allotted 41,02,564 & 20,00,000 equity shares of face value of INR 10/- each at an issue price of INR 81.25/- each to Trishashna Holdings & Investments Private Limited, an entity belonging Promoter & Promoter Group, respectively;

ii) On December 29, 2022, your Company had allotted 41,02,564 equity shares of face value of INR 10/- each at an issue price of INR 81.25/- each to Florintree Ventures LLP, an entity belonging to Non-Promoter category.

(d) Non-Convertible Debentures (NCDs)

i. Issuance of Secured and Unsecured NCDs, by way of Private Placement basis:

During the year under review, the Company has successfully raised, by way of private placement, INR 9,000 Lakhs from issuance of 650 Secured NCDs having face value of INR 10,00,000 each & 2,500 Secured NCDs having face value of INR 1,00,000 each and INR 9,625 Lakhs from issuance of 19,250 Un-secured NCDs having face value of INR 50,000 each and 9,900 Lakhs from issuance of 9,900 un-secured NCDs having face value of INR 1,00,000 each. The said Secured NCDs are listed on WDM segment of BSE Limited (BSE).

ii. Details of NCDs which have not been claimed by the Investors:

There are no NCDs, which have not been claimed by the Investors or not paid by the Company after the date on which these NCDs became due for redemption.

Company's Prospects, Future Plans and Business Overview:

The Company in FY2022-23 has delivered yet another year of excellent performance, while achieving good growth coupled with robust operational and financial controls and making consistent progress in asset quality. The Company witnessed positive development in all operational and financial metrics, which would continue over the coming quarters and years. This year's performance is because of the Company's dedicated and persistent people, who are pursuing the collective goal of development of Satin.

Business Overview

The Company witnessed an AUM growth of 24% YoY to reach INR 7,92,852.54 Lakhs as on March 2023 exceeding its annual performance guidance. The advent of growth was visible from the second half of the financial year 2023. The Company observed increasing momentum in disbursement quarter on quarter to reach INR 7,39,010.87 Lakhs for the complete year. Further, the Company enhanced its focus on acquiring new clients during the period under review. The Company's diligent assessment methodology led to an improvement in the asset quality with GNPA reducing from 8.0% in March 2022 to 3.28% in March 2023. The collection efficiency remained stable quarter on quarter for the financial year. It has a robust balance sheet with ample liquidity of INR 1,02,900 Lakhs and a healthy CRAR of 26.6% as on March 2023. It is leveraging its outreach in the microfinance to offer affordable housing and retail MSME loans to clients who have completed more than 2 loan cycles with the Company and have bigger credit requirements through its subsidiaries. Both the subsidiaries delivered profitable growth in the reported fiscal year. The Company during the year capitalized on emerging opportunities which led to an impressive performance.

Prospects

Over the years, the Indian microfinance model has remained resilient and fundamentally strong against all crises. With the RBI's new regulatory framework, MFIs have benefitted in numerous ways such as expanding market opportunities, risk based pricing, level playing field between different categories of lenders etc. Various technological interventions in the financial sector have helped lower operational costs and promote financial inclusion. The Company has successfully navigated challenges and remains focused on its growth prospects over the near and the long-term. The Company shall continue to stay at the forefront of capitalizing its outreach, focusing on healthy asset quality and liabilities, which will help provide financial support to its borrowers, create a positive impact in their lives and thus create value for its stakeholders.

Future plans

The Company's strategy for FY2023-24 is to achieve an AUM growth of 25%+ with focus on acquisition of new clients and geographical diversity. Additionally, it also plans to increase the share of non-MFI book to 20-25% gradually over the next few years. The Company wishes to maintain the current levels of PAR of its new portfolio i.e. originated Jul'21 onwards and maintain its stature against the industry standard. The Company has made prudent investment in building new-age technologies and is constantly working towards achieving operational efficiencies by optimizing its existing infrastructure. Going forward, the Company expects to achieve a RoA of 3.5%+ in the coming fiscal year.

Please refer to the **Management Discussion and Analysis Report** for more information on your Company's Business Overview.

Share Capital

Authorised Capital

During the year under review, the Authorised Capital of your Company stood at INR 1,80,00,00,000/- consisting of 10,50,00,000 Equity Shares of INR 10/- each and 7,50,00,000 Preference Shares of INR 10/- each.

Paid-up Share Capital

a. Equity Share Capital

The Paid up Equity Share Capital of the Company on April 1, 2022 stood at INR 75,01,89,970/- divided into 7,50,18,997 fully paid Equity Shares of INR 10/- each.

During the year under review, pursuant to conversion of Warrants issued by way of Preferential Allotment, your Company had also raised an amount of INR 6,218.74 Lakhs towards Equity Capital and allotted 1,02,05,128 Equity Shares of INR 10/- each to entities belonging to promoter & promoter group & non-promoter category at an issue price of INR 81.25 per share (comprising paid up value of INR 10/- and premium of INR 71.25/-) on September 28, 2022, December 29, 2022 and March 16, 2023, respectively.

Thus, as on March 31, 2023, the Paid-up Equity Share Capital of the Company stood increased to INR 85,22,41,250/- divided into 8,52,24,125 fully paid Equity Shares of INR 10/- each.

b. Preference Share Capital

As on March 31, 2023, the Paid-up Preference Share Capital of the Company stood as Nil.

DIVIDEND

In order to grow the business line of the Company and enhance the rate of return on investment of the Shareholders, it is necessary to conserve the resources. Your Directors are of the opinion of retaining the profits for the year within the Company, and thus, have not recommended any dividend on equity shares for the year ended March 31, 2023.

The Board of Directors adopted a Dividend Distribution Policy which sets out the parameters in determining the payment / distribution of dividend. The details of Dividend Distribution Policy is placed on the Company's website at https://satincreditcare.com/wp-content/uploads/2021/08/Dividend-Distribution-Policy.pdf

AMOUNT TRANSFERRED TO RESERVES

An amount of INR 5,286.58 Lakhs, being 20% of the profit after tax (PAT) was transferred to statutory reserve of the Company pursuant to Section 45IC of the Reserve Bank of India Act, 1934. Further, the closing balance of the retained earnings of the Company for FY2022-23, after all appropriation and adjustments was INR 48,663.24 Lakhs.

DEPOSITS

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

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

Since, the Company is Non-Banking Financial Company, the disclosures regarding particulars of the loans given, guarantees given and security provided is exempt under the provisions of Section 186(11) of the Act, read with rules made thereunder, as amended. Further, the details of investments made by the Company are given in the Notes to the Financial Statements.

DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The policies and procedures adopted by your Company take into account the design, implementation and maintenance of adequate internal financial controls, keeping in view the size and nature of the business. The internal financial controls ensure the orderly and efficient conduct of its business. The controls encompass safeguarding of your Company's assets, strict adherence to policies, and prevention and detection of frauds and errors against any unauthorised use or disposition of assets and misappropriation of funds. These controls help to keep a check on the accuracy and completeness of the accounting records and timely preparation of reliable financial disclosures. The Audit Committee ensures that all procedures are properly authorised, documented, described and monitored. Your Company has in place technologically advanced infrastructure with computerisation in all its operations, including accounts and MIS.

Your Company has in place strong internal audit processes and systems and designs annual risk based audit plan to ensure optimum portfolio quality and keep risks at bay. There is a risk based audit methodology for branch audits and centralised support functions audits which are planned based on various risk based parameters. There is a full-fledged in-house Internal Audit department. The branch audits, regional office audit, social audit takes place generally on a quarterly basis while centralised support function audits takes place as per periodicity defined in the audit plan.

The Audit Committee of the Board of Directors, comprising of Non-Executive Directors, periodically reviews the internal audit reports, covering findings, adequacy of internal controls, and ensure compliances. The Audit Committee also meets the Company's Statutory Auditors to ascertain their views on the financial statements, including the financial reporting system, compliance to accounting policies and procedures, adequacy and effectiveness of the internal controls and systems followed by the Company. Information System Security controls enable the Company to keep a check on technology-related risks and also improve business efficiency and distribution capabilities. Your Company is committed to invest in IT systems, including back-up systems, to improve the operational efficiency, customer service and decision-making process.

High standards of your Company's internal control systems is adequately reflected in it receiving ISO 27001:2013 Certification post qualifying two stages of audit by third party certification body - Documentation audit and Control Testing audit. There is also an annual Surveillance Audit conducted by third party ISO Auditors to retain the certification. This indicates your Company has an integrated and robust Information Security Management System (ISMS) in its business processes & exemplifies that information security and client confidentiality are part of the cornerstones of your Company's strategic objectives. This approach also ensures that employees supported by IT systems and processes throughout the organization maintain a high standard of security.

Your Company has been using "Centralized Shared Services Center" to be more vigilant in authentic on-boarding of customers. Centralized Shared Services (CSS), an outsourced Process unit helps in verification of Loan Application and KYC documents by verifying the authenticity of the clients being disbursed. This has helped in filtering adverse customer selection & sanctioning.

MATERIAL EVENT RECORDED SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS

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

DETAILS OF SUBSIDIARY, ASSOCIATE AND JOINT VENTURE COMPANIES, AS REQUIRED UNDER RULE 8 OF THE COMPANIES (ACCOUNTS) RULES, 2014

SUBSIDIARY, ASSOCIATE AND JOINT VENTURE COMPANIES

The Company has following 2 (Two) Wholly owned subsidiaries as on March 31, 2023. There are no associate or joint venture companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act"). There has been no material change in the nature of the business of the subsidiaries -

1. **Satin Housing Finance Limited ("SHFL")** – SHFL was incorporated on April 17, 2017, as a Wholly-Owned Subsidiary of the Company. It is registered with National Housing Bank and holds the Certificate of Registration (COR) as Housing Finance Company (not holding/accepting of Public deposits) dated on November 14, 2017 to carry on activities of housing finance business under Section 29A

of the National Housing Bank Act, 1987. SHFL is engaged in providing long-term finance for purchase, construction, extension and repair of houses for the retail segment along with loans against residential property, commercial property and plots. During the year under review, SHFL has infused INR 1,340 Lakhs by way of equity share capital due to which the paid up capital stood at INR 11,340 Lakhs as on March 31, 2023.

2. **Satin Finserv Limited ("SFL")*-** SFL was incorporated on August 10, 2018 as Wholly Owned Subsidiary of the Company. It is RBI registered Non-Deposit taking Systemically Important Non-Banking Finance Company. SFL is engaged in providing business loans to Micro, Small and Medium scale Enterprises and to individuals and acting as Business Correspondent on behalf of various banks and financial institutions. Further, SFL is also engaged in providing corporate loans. As on March 31, 2023, it's paid up capital stood at INR 14,051.48 Lakhs.

The Board of Directors of Taraashna Financial Services Limited ("TFSL") and Satin Finserv Limited ("SFL"), in their respective meetings held on August 03, 2021, have considered and approved the Scheme of Arrangement for Amalgamation of TFSL ("Transferor Company") with SFL ("Transferee Company") and their respective shareholders and creditors ('Scheme') under Sections 230 to 232 of the Companies Act, 2013 ("Act") and other applicable provisions of the Act and rules made thereunder. Consequently, the first motion application was filed before Hon'ble NCLT, Chandigarh Bench after obtaining requisite NOCs from shareholders and creditors of TFSL and SFL. The said first motion application was reserved and allowed by the said Hon'ble NCLT on hearing dated April 6, 2022. The said order was pronounced on hearing date May 17, 2022 by Hon'ble NCLT. Both the Companies had filed joint second motion application with Hon'ble NCLT on May 25, 2022. The said joint second motion application was admitted by Hon'ble NCLT in its hearing dated July 08, 2022 and issued necessary directions of serving notices and newspapers advertisements. Both the Companies have served the notices to government authorities and completed publication in requisite newspapers as per order. The Hon'ble NCLT vide its order dated January 31, 2023 has approved the scheme of amalgamation and the necessary form has been filed to the Registrar of Companies on March 1, 2023 which is considered as effective date.

Business Highlights of Satin Housing Finance Limited

Satin Housing Finance Limited's ("SHFL") net worth stood at INR 13,773.38 Lakhs as at March 31, 2023. As on that date, regulatory Capital to Risk Assets Ratio (CRAR) was 46.40%. Further, during the year, National Housing Board sanctioned INR 3,000 Lakhs under refinance facility to SHFL. SHFL's total income during the year ended March 31, 2023 is INR 6,187.21 Lakhs as compared to previous year ended March 31, 2022 is INR 3,804.37 Lakhs and earned net profit after tax during the year ended March 31, 2023 of INR 592.36 Lakhs as compared to profit during previous year ended March 31, 2022 of INR 303.76 Lakhs. SHFL have been profitable in last three successive years.

The Management of your Company is highly optimistic for bright future of SHFL in the years to come.

Business Highlights of Satin Finserv Limited

Satin Finserv Limited's ("SFL") net worth stood at INR 13,767.52 Lakhs as on March 31, 2023. This is SFL's fourth full year of operations and they have been profitable in all the four years. PBT for Financial Year 2022-23 stands at INR 821.40 Lakhs. Capital to Risk Asset ratio is 46.63% which is well above the regulatory requirement of 15.00%. During the fourth year of operations, SFL has shown decent growth in terms of Sanctions & Disbursements of Loans with retail disbursements having grown by 82% from March 2022 in SME Business. During the year under review, SFL has disbursed Loans of INR 12,742.21 Lakhs in SME Business and INR 25,369.11 Lakhs in BC Business and thereby, achieved AUM of INR 22,557.32 Lakhs (on book) and INR 45,602.48 Lakhs (Off book). SFL reported total income during the year ended March 31, 2023 is INR 10,650.69 Lakhs.

Management of your Company can see a positive outlook of SFL in the years to come.

Consolidated Financial Statements

In accordance with Section 129(3) of the Companies Act, 2013 and Regulation 34(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Consolidated Financial Statements of the Company including the financial details of all the subsidiary companies, forms part of the Annual Report. The Consolidated Financial Statements have been prepared in accordance with the provisions of Indian Accounting Standards issued by the Institute of Chartered Accountants of India & Schedule III of the Companies Act, 2013.

Further, a statement containing salient features of the financial statements of the Company's subsidiaries in Form AOC-1 also form part of the Annual Report. Further, the Company has neither any Associates nor any Joint Ventures as on March 31, 2023.

The financial statements of the subsidiary companies are also available on the Company's website https://satincreditcare.com/our-subsidiaries/

NAMES OF THE COMPANIES WHICH HAVE BECOME OR CEASED TO BE SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES

During the period under review, Taraashna Financial Services Limited ("TFSL") vide Hon'ble NCLT order dated January 31, 2023 had merged with Satin Finserv Limited ("SFL"). The said merger was effective from the date of filing of e-form INC-28 with Registrar of Companies i.e. March 1, 2023.

Apart from the above, no company has become or ceased to be subsidiary, joint venture or associate of the Company.

DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

A. DIRECTORS

As on March 31, 2023, the Board of Directors of your Company consist of 7 (Seven) Directors. Their details are as follows:

Sl. No.	Name of Directors	Category
1	Mr. Harvinder Pal Singh	Executive Promoter Director
2	Mr. Satvinder Singh	Non-Executive, Non-Independent, Promoter Director
3	Mrs. Sangeeta Khorana	Non-Executive Woman Independent Director
4	Mr. Sundeep Kumar Mehta	Non-Executive Independent Director
5	Mr. Goh Colin	Non-Executive Independent Director
6	Mr. Sanjay Kumar Bhatia	Non-Executive Independent Director
7	Mr. Anil Kumar Kalra	Non-Executive Independent Director

During the year under review, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees and reimbursement of expenses, if any.

The Board was duly constituted in compliance with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year ended March 31, 2023 and the change in the Board during the financial year upto the date of report is as follows:

Resignation/Cessation

Mr. Christian Bernhard Ramm

Mr. Christian Bernhard Ramm (DIN: 08096655), Nominee Director of NMI on the Board of the Company, had resigned w.e.f March 1, 2023. The Board place on record its appreciation for the valuable contribution of Mr. Christian Bernhard Ramm in the sustained growth of the Company during his tenure.

B. RETIREMENT BY ROTATION

Mr. Satvinder Singh

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Satvinder Singh, Director of the Company is liable to retire by rotation for this year and being eligible, offer himself for re-appointment as Director. Brief resume and other details of Mr. Satvinder Singh who is proposed to be re-appointed as a Director of the Company have been furnished, with the explanatory statement to the notice of the ensuing Annual General Meeting.

C. KEY MANAGERIAL PERSONNEL

During the year under review, Mr. Vikas Gupta appointed as Company Secretary & Compliance Officer and Whole Time Key Managerial Personnel of the Company w.e.f. October 8, 2022 in place of Mr. Vipul Sharma who had resigned w.e.f. September 9, 2022 (close of business hours).

As on March 31, 2023, Mr. Harvinder Pal Singh, Chairman cum Managing Director, Mr. Jugal Kataria, Group Controller, Mr. Rakesh Sachdeva, Chief Financial Officer and Mr. Vikas Gupta, Company Secretary & Compliance Officer are the Key Managerial Personnel of your Company in accordance with the provisions of Sections 2(51) and 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The present term of Mr. Harvinder Pal Singh as Chairman cum Managing Director of the Company shall expire on September 30, 2025.

MEETINGS OF THE BOARD

During the period under review, 7 (Seven) Board Meetings were held, the details of the same have been included in the Corporate Governance Report, which forms part of the Annual Report.

PERFORMANCE EVALUATION OF BOARD, COMMITTEES AND DIRECTORS

Pursuant to the provisions of Section 178 of the Companies Act, 2013 and Regulation 17(10) read with Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**"Listing Regulations"**), the Nomination and Remuneration Committee and the Board of Directors have formulated a policy for performance evaluation (same is covered under the Nomination and Remuneration Policy of the Company) of its own performance, of various mandatory Committees of the Board and of the individual Directors.

Further, SEBI vide its circular (Ref. no. SEBI/HO/CFD/CMD/CIR/P/2017/004) dated January 5, 2017 issued a guidance note on Board Evaluation for listed companies. In view of the same and in terms of Board approved Nomination & Remuneration Policy of the Company, the Independent Directors in their separate meeting held on March 27, 2023 under Regulation 25(4) of the Listing Regulations and Schedule IV of the Companies Act, 2013 had:

(i) reviewed the performance of Non-Independent Directors and the Board of Directors as a whole;

(ii) reviewed the performance of the Chairperson of the Company, taking into account the views of executive and non-executive Directors; and

(iii) assessed the quality, quantity and timelines of flow of information between the Company management and the Board of Directors that was necessary for the Board of Directors to effectively and reasonably perform their duties.

Further, in terms of the provisions of Regulation 19(4) read with Part D of Schedule II of the Listing Regulations and Section 178 of the Companies Act, 2013, the performance evaluation process of all the Independent and Non-Independent Directors of the Company was carried out by the Nomination and Remuneration Committee in its meeting held on March 27, 2023.

Further, in terms of Regulation 17(10) of the Listing Regulations and Schedule IV of the Companies Act, 2013, the Board of Directors also in their meeting held on March 27, 2023 carried out the performance evaluation of its own performance and that of its Committees and of the individual Directors.

The entire performance evaluation process was completed to the satisfaction of Board.

STATEMENT ON DECLARATION "CERTIFICATE OF INDEPENDENCE" U/S 149(6) FROM INDEPENDENT DIRECTORS

The Board has Independent Directors and there is an appropriate balance of skills, experience and knowledge in the Board to enable it to discharge its functions and duties effectively. The Independent Directors have submitted disclosure that they meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

COMPLIANCE WITH SECRETARIAL STANDARDS

The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors of the Company, to the best of its knowledge and ability, hereby confirm that:

1. in the preparation of the annual accounts for the financial year ended March 31, 2023, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2023 and of the profit and loss of the Company for the year ended on that date;
3. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. they have prepared the annual accounts for financial year ended March 31, 2023 on a going concern basis;
5. they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively during the financial year ended March 31, 2023; and
6. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively during the financial year ended March 31, 2023.

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

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

RELATED PARTY TRANSACTIONS

The Policy on materiality of Related Party Transactions and dealing with Related Party Transactions ("**RPT Policy**") provides for identification, necessary approvals by the Audit Committee / Board, reporting and disclosure requirements in compliance with the requirements of the Companies Act, 2013 (**"Act"**) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

All transactions entered by the Company during the financial year with related parties were on arms' length basis and in the ordinary course of business or in absence of any criteria, approval was obtained as per the applicable provisions and RPT Policy of the Company. All such RPTs were placed before the Audit Committee / Board for approval, wherever applicable. The Audit Committee reviews all RPTs periodically.

During the year under review, your Company has not entered into any contracts/arrangement/transaction with related parties which could be considered material in accordance with Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and the RPT Policy of the Company. The policy for materiality of RPTs and dealing with RPTs as approved by the Board may be accessed on the website of the Company and the web-link of the same is https://satincreditcare.com/wp-content/uploads/2022/03/Policy-on-Materiality-of-RPT-and-Dealing-with-RPT.pdf

All RPTs entered into during the Financial Year 2022-23 were in the ordinary course of business and on arms' length basis. No material RPTs were entered into during the Financial Year 2022-23 by the Company as defined in the RPT Policy. Accordingly, the disclosure of RPTs as required under Section 134(3)(h) of the Act in Form AOC-2 is not applicable. Further, details of Related Party Transactions as required to be disclosed as per Indian Accounting Standard - 24 "Related Party Disclosures" specified under Section 133 of the Act, are given in the Notes to the Financial Statements.

Furtherance to this, the remuneration paid to Mr. Harvinder Pal Singh, Chairman cum Managing Director and sitting fee paid to Non-Executive Directors (other than Investor's nominee) for each Board/Committee meeting(s) attended are shown under Related party disclosures segment under "Notes to the accounts" of Financial Statements in terms of Indian Accounting Standard - 24 issued by The Institute of Chartered Accountants of India.

AUDITORS & THEIR REPORTS

Statutory Auditors & their Report:

M/s S S Kothari Mehta & Company, Chartered Accountants, New Delhi, Firm Registration No. 000756N, had been appointed as the Statutory Auditors of the Company at the Thirty First Annual General Meeting ("**AGM**") of the Company held on August 11, 2021, on the recommendation of Audit Committee and Board of Director's in conformity with the provisions of Sections 139 and 141 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (includes amendments thereto) and in accordance with the guidelines issued by RBI for appointment of Statutory Central Auditors (SCAs)/ Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) vide its circular no. RBI/2021- 22/25 Ref. No DoS.CO.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021 read with the Company's policy on Appointment of Statutory Auditors for a period of 3 (Three) years from the conclusion of the AGM (for FY2020-21) till the conclusion of the thirty fourth AGM (for FY2023-24) subject to the applicable provisions from time to time.

The Statutory Auditors have confirmed that they are not disqualified from continuing as the Statutory Auditors of the Company for the Financial Year 2023-24.

The Auditors' Report for the Financial Year 2022-23 does not contain any qualification, reservation, adverse remark or disclaimer. Further, there were no instances of any fraud reported by the Statutory Auditor to the Board pursuant to Section 143(12) of the Companies Act, 2013.

The Board has placed on record its sincere appreciation for the services rendered by M/s S S Kothari Mehta & Company, Chartered Accountants, as Statutory Auditors of the Company.

Secretarial Auditors & their Report:

In terms of Section 204 of the Companies Act, 2013 and Rules framed thereunder and based on the recommendation of Audit Committee, the Board of Directors of the Company has appointed M/s S. Behera & Co., Company Secretaries (ICSI PCS Registration No. 5980) as the Secretarial Auditors of the Company for the Financial Year 2022-23 in its meeting dated May 4, 2022. The Company provided all the assistance and the facilities to the Secretarial Auditors for conducting the Secretarial Audit. Secretarial Audit Report as provided by M/s S. Behera & Co., Company Secretaries is also annexed to this Report, in the prescribed Form MR-3, as **Annexure-I**. The Secretarial Audit Report does not contain any material qualification, reservation, adverse remark or disclaimer.

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

Cost records and Cost audit:

Maintenance of cost records and requirement of Cost Audit as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, is not applicable for the business activities carried out by the Company.

REPORTING OF FRAUDS BY AUDITORS

During the period under review, neither the Statutory Auditors nor the Secretarial Auditors have reported to the Audit Committee/ Board or Central Government any instances of material fraud in the Company by its officers or employees under Section 143(12) of the Companies Act, 2013.

However, there have been few instances of misappropriation and criminal breach of Trust including embezzlement of cash by the employees amounting to INR 125.85 Lakhs. In such cases, the action taken by the Company is, to terminate the services of such employees and also initiate legal action against such employees. In this course, the Company has recovered INR 5.09 Lakhs from some of those employees.

AUDIT COMMITTEE

The Company has an Audit Committee duly constituted in accordance with the provisions of Section 177 of the Companies Act, 2013, RBI Guidelines and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. All the members of the Committee have expertise in finance and have knowledge of accounting and financial management. The scope of the activities of the Audit Committee, as set out in Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and read with Section 177 of the Companies Act, 2013 and other applicable laws, are approved by Board of Directors of the Company. The composition of the Audit Committee & its terms of reference and the details of meetings attended by the Audit Committee members are provided in Corporate Governance Report which forms part of the Annual Report.

During the year under review, all the recommendations of the Audit Committee were accepted by the Board of Directors of the Company.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Your Company has a vision to drive 'holistic empowerment' of the community and carries CSR initiatives through partnering with a trust/foundation, qualified to undertake CSR activities in accordance with Schedule VII of the Companies Act, 2013 (includes amendments thereto). Sustainability and social responsibility are an integral element of corporate strategy of the Company. In compliance with Section 135 of the Companies Act, 2013 read with Rules made thereunder and as amended from time to time, the Company has established the Corporate Social Responsibility Committee ("**CSR Committee**") and the composition, function and details of meetings attended by the Committee Members are provided in the Corporate Governance Report which forms part of the Annual Report.

The unspent amount of previous year i.e. INR 181.21 Lakhs were spent successfully on the ongoing project during the Financial

Year under review. During the Financial Year 2022-23, your Company has made a contribution of INR 173.45 Lakhs to S. Amar Singh Educational Charitable Trust to promote education by providing scholarships to less privileged students in GNA University, Punjab and contributed an amount of INR 2 Lakhs to Shafiq Ahmad Ansari Memorial Trust towards the construction of a primary school/coaching centre in the village of Harswara, Uttar Pradesh, India, to provide primary education and guidance for further education to the poor and marginalized children of the region, which had very low literacy rates, especially among females.

Key initiatives under each thematic area and the Annual Report on CSR under Section 135 of the Companies Act, 2013 read with Rules made thereunder, is annexed as **Annexure-II** to this Report and the same is available on the website of the Company i.e. www.satincreditcare.com.

As per amended CSR Rules and CSR Policy of the Company, the funds required to be disbursed have been utilised for the purposes and in the manner as approved by the Board of the Company and confirmation to this effect have been received from Mr. Rakesh Sachdeva, Chief Financial Officer and Ms. Aditi Singh, CSR Nodal Officer of the Company and such confirmations have been duly noted by the Board in its meeting held on April 29, 2023.

The Composition of CSR Committee and Board adopted CSR Policy as formulated and recommended by the CSR Committee are available at https://satincreditcare.com/board-of-directors/ & https://satincreditcare.com/wp-content/uploads/2021/03/CSR-Policy-Version-3-01.03.2021.pdf. respectively.

EMPLOYEES STOCK OPTION PLAN

The ESOP Scheme of the Company is in compliance with the SEBI (Share Based Employee Benefits & Sweat Equity) Regulations, 2021, as amended from time to time (the '**SBEB Regulations**').

Disclosures pertaining to the ESOP scheme pursuant to the SBEB Regulations are placed on the Company's website https://satincreditcare.com/. Grant wise details of options vested, exercised and cancelled are provided in the notes to the standalone financial statements.

The Company has not provided any financial assistance to its employees for purchase or subscription of shares in the Company or in its holding company.

The Company has not issued any sweat equity shares or equity shares with differential rights during the year.

POLICIES

Vigil Mechanism/Whistle Blower Policy:

Your Company in accordance with the provisions of Section 177(9) of Companies Act, 2013 read with Rule 7 of Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has established a vigil mechanism through Whistle Blower Policy to deal with instances of unethical behaviour, actual or suspected fraud or violation of Company's code of conduct or ethics policy and details of the same are explained in the Corporate Governance Report. The Policy provides adequate safeguard against victimization to the Whistle Blower and enables them to raise concerns and also provides an option of direct access to the Chairman of Audit Committee. During the period under review, none of the personnel have been denied access to the Chairman of the Audit Committee.

During the period under review, 1 (One) complaint was received and it was duly disposed-off.

The Whistle Blower Policy is also available at https://satincreditcare.com/wp-content/uploads/2019/05/Whistle-blower-Policy.pdf.

Policy on Nomination & Remuneration for Directors, Key Managerial Personnel (KMP) & Senior Management and Other Employees:

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel (KMP), Senior Management and other employees of the Company, to have diversified Board, to harmonize the aspirations of human resources consistent with the goals of the Company and in terms of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and Rules/Regulations/Guidelines/Notifications issued by RBI and SEBI from time to time. Your Company has in place Nomination and Remuneration Policy which is also available at https://satincreditcare.com/wp-content/uploads/2023/05/9.-Nomination-and-Remuneration-Policy.pdf

Further, the Company familiarises its Independent Directors about their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, legal updates and other relevant information relating to the Company. In this regard, the Company follows a structured familiarisation programme for the Independent Directors. The details of such familiarization programmes is disclosed on the Company's website and the web-link of the same is https://satincreditcare.com/wp-content/uploads/2021/06/Details-of-Familiarization-Programme.pdf.

Risk Management:

The Board of Directors of the Company has formed a Risk Management Committee to frame, implement and monitor the risk management plan for the Company. The Committee is responsible for monitoring and reviewing the risk management plan and ensuring its effectiveness. The Audit Committee has additional oversight in the area of financial risks and controls. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. The development and implementation of risk management policy has been covered in the Management Discussion and Analysis, which forms part of this report.

Sexual harassment policy for women under The Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013:

Your Company has in place a formal policy for prevention of sexual harassment of its employees at workplace. The Company is in compliance with the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013 to prohibit, prevent or deter any acts of sexual harassment at workplace and to provide the procedure for the redressal of complaints pertaining to sexual harassment, thereby providing a safe and healthy work environment.

Further, during the calendar year 2022-23, the Company did not receive any complaint on sexual harassment.

The Company has complied with provisions relating to the constitution of Internal Complaints Committee (ICC) under the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013. The ICC has been set up to redress complaints received, if any, regarding sexual harassment.

PARTICULARS OF EMPLOYEES

Disclosure pertaining to remuneration and other details as required under Section 197(12) read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed as **Annexure-III**.

In accordance with the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, a statement showing the name and other particulars of the employees drawing remuneration in excess of the limits set out in the said Rules which forms part of this report, will be made available to any member on request, as per provisions of section 136 of the Act.

In terms of Section 136 of the Companies Act, 2013, the Report and Accounts are being sent to the Members of the Company excluding information on employees' particulars which is available for inspection by the Members at the Registered Office of the Company during the business hours on working days of the Company up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining such information, he/she may write to the Company Secretary at the Corporate Office of the Company.

LISTING WITH STOCK EXCHANGES

The equity shares (ISIN INE836B01017) of the Company are listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). The listing fees payable to both the exchanges for the Financial Year 2023-24 have been paid. The NCDs issued on Private Placement basis are listed on WDM segment of BSE.

ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013, the Annual Return as on March 31, 2023 is available on the Company's website on https://satincreditcare.com.

CHANGE IN THE NATURE OF BUSINESS, IF ANY

During the period under review, there was no change in the nature of business of the Company.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

Pursuant to amendment in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, top 1000 listed entities based on market capitalization are required to submit a Business Responsibility and Sustainability Report ("BRSR") with effect from financial year 2023.

A detailed BRSR in the format prescribed by SEBI describing various initiatives, actions and process of the Company towards ESG endeavor has been hosted on Company's website and can be accessed at https://satincreditcare.com/investor-relations-satin-creditcare/annual-report/.

PARTICULARS ON CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo as required under clause (m) of sub-section (3) of Section 134 of the Companies Act, 2013 read with sub-rule (3) of Rule 8 of the Companies (Accounts) Rules, 2014 is annexed herewith as **Annexure-IV** and forms part of this Report.

DISCLOSURES UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016

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

Further, there are no details required to be reported with regard to difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions as your Company has not done any settlement with any Bank or Financial Institutions since its inception.

ACKNOWLEDGEMENTS

Your Directors would like to place on record their gratitude for the cooperation received from lenders, our valued customers, regulatory bodies, shareholders and other stakeholders. The Board, in specific, wishes to place on record its sincere appreciation of the contribution made by all the employees towards growth of the Company.

For and on behalf of the Board of Directors

Sd/-
Harvinder Pal Singh
Chairman cum Managing Director
DIN: 00333754

Place: Gurugram:
Date: July 10, 2023

Annexure-I

SECRETARIAL AUDIT REPORT (FORM MR-3) FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

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

To,
The Members,
Satin Creditcare Network Limited
5th Floor, Kundan Bhawan,
Azadpur Commercial Complex,
Azadpur, New Delhi-110033

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SATIN CREDITCARE NETWORK LIMITED** (CIN: L65991DL1990PLC041796) (hereinafter called '**the Company**'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

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

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

i. The Companies Act, 2013 ('the Act') and the rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

iii. The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

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

    a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

    b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

    c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

    d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

    e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

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

    g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and

    h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018;

vi. Employees' Provident Funds & Misc. Provisions Act, 1952;

vii. Employees' State Insurance Act, 1948;

viii. Maternity Benefit Act, 1961;

ix. Minimum Wages Act, 1948;

x. Payment of Bonus Act, 1965;

xi. Payment of Gratuity Act, 1972;

xii. Delhi Shops and Establishments Act, 1954; and

xiii. Reserve Bank of India Act, 1934 relating to NBFC's.

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

(i) Secretarial Standards issued by the Institute of Company Secretaries of India covered under the Companies Act, 2013; and

(ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We report that, during the period under review, that

- The Company has complied with the provisions of the Acts, Rules, Regulations, and Guidelines mentioned above to the extent applicable.

- The Company was in receipt of an email from BSE Limited regarding delay in submission of intimations which pertains to the year 2021 under Regulation 60(2) of SEBI (Listing

Obligations and Disclosure Requirements) Regulations, 2015 asking for fines to be deposited. In response to this, the Company had filed a response mentioning the reasons of delay i.e. due to unprecedented pandemic caused by COVID 2.0. The said intimations were submitted with some delay (i.e. 1-2 days) inadvertently to the Exchange which leads to non-compliance of Regulation 60(2) of Listing Regulations. In this regard, the Company had deposited an amount of INR 50,000/- (Indian Rupees Fifty Thousand) plus taxes and intimated the payment details to BSE.

We further report that, based on the information provided and the representation made by the Company and also on the review of the compliances report of Company Secretary & Compliance Officer/Chief Financial Officer/Managing Director taken on record by the Board of Directors of the Company, in our opinion, adequate system and process exist in the Company to monitor and ensure compliances with provisions of applicable general laws like Labour laws and Environmental laws.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. During the period under review, we have noticed that the changes in the composition of Board of Directors that took place were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors/members to schedule the Board Meetings / Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines

For **S.Behera & Co.**
Company Secretaries

Sd/-
Shesdev Behera
Company Secretary in practice
CP.No. 5980
UDIN: F008428E000188003

Date: 25/04/2023
Place: New Delhi

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

Annexure-A

To,
Satin Creditcare Network Limited
5th Floor, Kundan Bhawan,
Azadpur Commercial Complex,
Azadpur, New Delhi-110033

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

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express as opinion on these secretarial records based on our examination.

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

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

4. Wherever required, we have obtained the management representation about the compliance with applicable laws, rules, regulations and guidelines and happening of events etc.

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

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

For **S.Behera & Co.**
Company Secretaries

Sd/-
Shesdev Behera
Company Secretary in practice
CP.No. 5980
UDIN: F008428E000188003

Date: 25/04/2023
Place: New Delhi

Annexure-II

ANNUAL REPORT ON CSR ACTIVITIES FOR FINANCIAL YEAR 2022-23

1. **Brief outline on CSR Policy of the Company:**

   The Corporate Social Responsibility ('CSR') of SCNL is broadly framed taking into account the following measures:

   - Welfare measures for the community at large, so as to ensure the poorer section of the society deriving the maximum benefits.
   - Contribution to the society at large by way of social and cultural development, imparting education, training and social awareness especially with regard to the economically backward class for their development and generation of income to avoid any liability of employment.
   - Protection and safeguard of environment and maintaining ecological balance.

2. **Composition of CSR Committee:**

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Harvinder Pal Singh	Promoter, Executive Director (Chairman)	1	1
2	Mr. Goh Colin	Independent Director (Member)	1	1
3	Mrs. Sangeeta Khorana	Independent Director (Member)	1	1

3. **Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company:**

   Composition of CSR committee shared above and is available on the Company's website at https://satincreditcare.com/board-of-directors/

   CSR Policy at https://satincreditcare.com/wp-content/uploads/2021/03/CSR-Policy-Version-3-01.03.2021.pdf

   CSR projects at https://satincreditcare.com/csr/

4. **Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable:** N.A.

5. (a) **Average net profit of the Company as per sub-section (5) of section 135 -** INR 8,772.25 Lakhs

   (b) **Two percent of average net profit of the Company as per sub-section (5) of section 135 -** INR 175.45 Lakhs

   (c) **Surplus arising out of the CSR Projects or programmes or activities of the previous financial years -** Nil

   (d) **Amount required to be set-off for the financial year, if any –** Nil

   (e) **Total CSR obligation for the financial year [(b)+(c)-(d)] -** INR 175.45 Lakhs

6. (a) **Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) –** INR 175.45 Lakhs

   (b) **Amount spent in Administrative Overheads –** Nil

   (c) **Amount spent on Impact Assessment, if applicable –** Nil

   (d) **Total amount spent for the Financial Year [(a)+(b)+(c)] –** INR 175.45 Lakhs

   (e) **CSR amount spent or unspent for the Financial Year:**

<table>
<tr><th rowspan="3">Total Amount Spent for the Financial Year. (in INR)</th><th colspan="5">Amount Unspent (in INR)</th></tr>
<tr><th colspan="2">Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135.</th><th colspan="3">Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.</th></tr>
<tr><th>Amount.</th><th>Date of transfer.</th><th>Name of the Fund</th><th>Amount.</th><th>Date of transfer.</th></tr>
<tr><td>175.45 Lakhs</td><td colspan="5">Nil</td></tr>
</table>

(f) Excess amount for set-off, if any:

Sl. No.	Particular	Amount
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	INR 175.45 Lakhs
(ii)	Total amount spent for the Financial Year	INR 175.45 Lakhs
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	Nil
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	Nil

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

1	2	3	4	5	6		7	8
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub- section (6) of section 135 (in INR)	Balance Amount in Unspent CSR Account under sub- section (6) of section 135 (in INR)	Amount Spent in the Financial Year (in INR)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub- section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in INR)	Deficie ncy, if any
					Amount (in INR)	Date of Transfer		
1	2021-22	181.21 Lakhs	Nil	181.21 Lakhs	Nil			
2	2020-21	Nil						
3	2019-20							

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

If Yes, enter the number of Capital assets created/ acquired: Not Applicable

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
1	2	3	4	5	6		
					CSR Registration Number, if applicable	Name	Registered Address
N.A							

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135: N.A.

For **Satin Creditcare Network Limited**

Sd/-
Harvinder Pal Singh
Chairman cum Managing Director &
Chairman - Corporate Social Responsibility Committee

Annexure-III

Details pertaining to section 197(12) of Companies Act, 2013 read with Rules 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

(i) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the Financial Year:

Sl. No.	Name of Director(s)	Annual Remuneration (in INR) for FY2022-23	Median Annual Remuneration of Employees for the FY2022-23 (in INR)	Ratio of remuneration of each director of the median remuneration of the employees for FY
1	Mr. Harvinder Pal Singh	1,54,71,108	2,07,816	74:1

(ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary in the Financial Year.

Sl. No.	Name of Director(s) Chief Financial Officer, Company Secretary	Annual Remuneration during FY 2021-22 (In INR)	Annual Remuneration during FY2022-23 (In INR)	Percentage increase in remuneration since last FY
1	Mr. Harvinder Pal Singh, Chairman cum Managing Director	1,54,71,108	1,54,71,108	0%
2	Mr. Rakesh Sachdeva, Chief Financial Officer	74,18,073	77,53,039	4.52%
3	Mr. Vipul Sharma, Company Secretary & Compliance Officer w.e.f. May 12, 2021 to September 9, 2022	17,74,430	8,51,703	-
4	Mr. Vikas Gupta, Company Secretary & Compliance Officer w.e.f. October 8, 2022	-	16,77,500	-

(iii) The percentage increase in the median remuneration of employees in the Financial Year:

Median Annual Remuneration (In INR) of employees for the FY 2021-22	Median Annual Remuneration (In INR) of employees for the FY 2022-23	Percentage increase in Median Annual remuneration of employees
2,34,708	2,07,816	-11.46%

(iv) Number of permanent employees on the rolls of the Company as at 31.03.2023 – **9,222**

(v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last Financial Year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration – **Not applicable**

(vi) The Board hereby affirm and declare that the remuneration being paid to the employees(s), Director(s), key managerial personnel(s) is as per the Nomination & Remuneration policy for Directors, key managerial personnel (KMP) & senior management and other employees approved by the Board.

For and on behalf of the Board of Directors

Sd/-
Harvinder Pal Singh
Chairman cum Managing Director
DIN: 00333754

Place: Gurugram
Date: July 10, 2023

Annexure-IV

Information as per clause (m) of sub-section (3) of Section 134 of the Companies Act, 2013 read with sub-rule (3) of Rule 8 of the Companies (Accounts) Rules, 2014 and forming part of the Directors Report for the Financial Year ended March 31, 2023:

(A) Conservation of Energy: (i) the steps taken or impact on conservation of energy: (ii) the steps taken by the Company for utilizing alternate sources of energy: (iii) the capital investment on energy conservation equipment's: **(B) Technology Absorption:** (i) the efforts made towards technology absorption: (ii) the benefits derived like product improvement, cost reduction, product development or import substitution: (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the Financial Year): (iv) the expenditure incurred on Research and Development:	As the Company is in the business of providing loans, its operations are not energy intensive and are limited to running the operations. However, the Company is cognisant of the importance of conservation of energy and use of technology in its operations. The Company engages in providing sustainable energy driven solutions for livelihood enhancement of its clients. Solar loans facilitate access to solar power-driven home lighting systems and enable its clients to engage in productive activities. The Company's green loan partner, D. Light, recognised it for its contributions to society in commemoration of India's 50 million lives being transformed. The Company is an active partner with MicroEnergy Credits (MEC) as a part of their global carbon program since 2020. As a responsible organization, the Company is gradually adopting electronic document management and other digital tools viz increased usage of tables for our fieldwork to go paperless. Two of its branches, Agra and Aligarh, are now paperless in their operations. The Company's Board prioritises the wise use of the Company's resources; it holds virtual meetings as often as possible and has gone paperless by utilising the Board PAC software. The Company has entirely stopped using single-use plastic items in accordance with government guidelines. The Company's corporate office premises is a green building as it has varied energy conservation features viz double glass panes on façade, windows and doors, solar panels on rooftop, radiant cooling, etc. to harness solar power and reduce electricity consumption. The premises also have a sewage treatment plant and a deep pit well to harvest rain water. During the year, the Company moved towards a more robust, scalable, secured and completely paperless technological journey with the advent of AWS (Amazon Web Services) into its system. The implementation has bought numerous potential benefits and growth advancements viz scalability, cost efficiency, security. The Company remains cognisant of the importance of imbibing measures towards optimum energy utilisation and conservation.
(C) Foreign Exchange Earnings and Outgo: (i) Foreign Exchange Earnings:	INR 19,775.90 Lakhs on account of Reimbursement of Expenditure and External Commercial Borrowing (Previous year INR 7,441.34 Lakhs).
(ii) Foreign Exchange Outgo:	INR 2,420.07 Lakhs on account of Interest Payment, Sitting Fee, Processing Fee, etc. (Previous year INR 1,411.30 Lakhs).

For and on behalf of the Board of Directors

Sd/-
Harvinder Pal Singh
Chairman cum Managing Director
DIN: 00333754

Place: Gurugram
Date: July 10, 2023

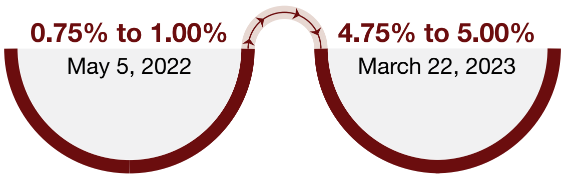
Management Discussion and Analysis

Economy Overview

Global Economy Overview

The macroeconomic headwinds, which include the continued geopolitical turmoil, high inflation, the energy crisis, and the resurgence of COVID-19 in China, dented the global economy. According to the IMF World Economic Outlook April 2023, global economy grew by 3.4% in CY22. The expected global inflation rate is 7.0% in CY23 and 4.9% in CY24.[1] Favorable monetary policies, the conclusion of Russia's invasion of Ukraine, and the removal of supply chain bottlenecks brought on by the pandemic are all prerequisites for the recovery of the global economy. Also, China's reopening is likely to revive the global economy coupled with rising domestic consumption, international travel recovery, and a surge in commodity demand. This growth will favor trade, strengthen regional economies and benefit key global sectors.

The figure below depicts the interest rate hikes by the US Fed.



The US Fed has increased its interest rates over six times during the said period, creating a wide gap between the value of the USD and the currencies of other major economies, including India.[2]

Silicon Valley Bank and Credit Suisse Collapse

> After Silicon Valley Bank and Credit Suisse collapsed, global banks made strategic acquisitions and consolidated. Financial institutions can emerge stronger, more resilient, and better equipped to serve clients during this transformation. Union Bank of Switzerland's acquisition of Credit Suisse will create a well-capitalised and globally competitive banking powerhouse. Risk management and compliance will increase financial market transparency and stability. These developments may strengthen the global economy and better prepare financial institutions for future challenges.

Outlook

The outlook for the global economy is expected to remain cautiously optimistic. Since the geo-political tensions could intensify as a result of the ongoing war in Ukraine, inflation requires stricter monetary policies, and China's recovery from the lingering effects of COVID is still uncertain.

On the bright side, sustained wage growth and robust labor markets may gradually bolster consumer demand, while reducing supply chain disruptions may reduce inflation and limit the need for future monetary tightening measures.[3]

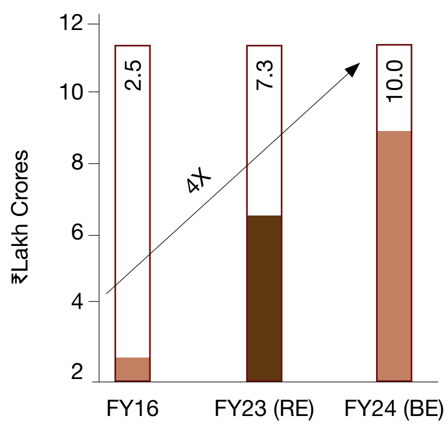
The IMF has also reported that India and China are expected to account for over 50% of the global growth in CY23. It was also stated that the rest of Asia is going to contribute nearly 25% to global growth.

Indian Economy Overview

Amid geo-political tensions, rising costs of living, soaring inflation, and recessionary fears in Europe, the Indian economy demonstrated extraordinary resilience and was able to withstand all adverse impacts. It is likely to continue on its growth trajectory by retaining one of the fastest growth rates in the world, outpacing China and other major emerging and developing economies.

The recently announced Union Budget for the financial year 2023-24 has witnessed a remarkable surge in capital expenditure (CAPEX) allocation by the Government, with a staggering sum of INR 10 Lakh Crores being earmarked for the same. This is a significant uptick of 33.40% as compared to the preceding year, reaffirming the Government's unflinching focus on stimulating infrastructure growth, which in turn, will act as a catalyst in propelling long-term economic advancement.

Increasing Capital Expenditure of Union Government



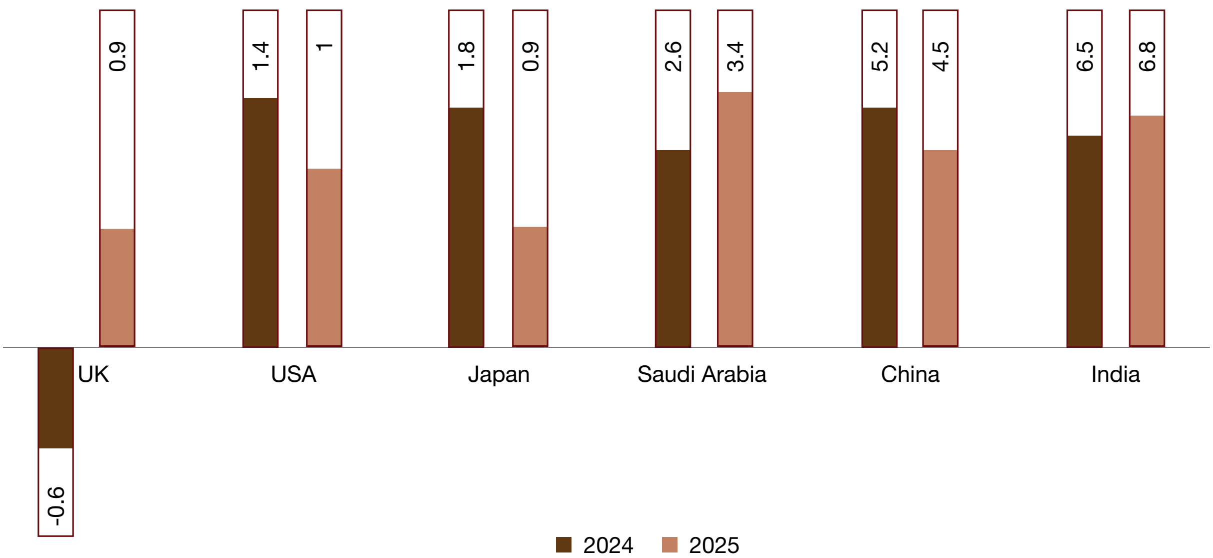
[1]World Economic Outlook
[2]Federal Reserve Issues FOMC Statement
[3]IMF BLOG
[4]PRESS NOTE ON SECOND ADVANCE ESTIMATES OF NATIONAL INCOME 2022-23, MINISTRY OF STATISTICS & PROGRAMME IMPLEMENTATION GOVERNMENT OF INDIA

Amid a global economic slowdown, India's economic indicators are painting a more positive picture and giving rise to a feeling of cautious optimism. Despite the prevailing headwinds, the country has managed to sustain its growth trajectory, as evidenced by several key indicators such as GST collections, direct tax collections, railway freight growth, e-way bills, air traffic, and purchasing managers' index data.

Outlook

The Reserve Bank of India (RBI) expects the Indian economic growth to be 6.5% in FY24[5]. India is also anticipated to be the fastest-growing among the G-20 nations. India's continued growth momentum is poised to make it an attractive destination for pitching in investments. According to EY, India's economy is projected to reach a GDP size of USD 26 trillion in terms of the exchange market by 2047.

GDP projections (%)



Source: IMF (RBI for India)

New prospects for agriculture and related industries, improved business and consumer confidence, and accelerated credit expansion are expected to support domestic consumption and investment. Even though inflation witnessed a rebound in January, supply responses and cost circumstances are likely to improve going forward. The Union Budget 2023–24's focus on capital spending is anticipated to attract private investment, boost demand and employment growth, as well as increase India's potential for growth.

Industry Overview

The Indian BFSI sector is anticipated to continue its upward trend in FY24, with improved balance sheets, rising credit demand, and stable interest rates. In 2024, retail, NBFCs, and large corporations are anticipated to contribute to a 13.5% YoY increase in banking system credit. In addition, the Government has announced plans to completely digitize post offices and establish 75 digital banking units in 75 districts, which will increase financial inclusion.

The Microfinance sector has a wider role to play in enabling the national goal of financial inclusion. With a total loan portfolio of INR 3,48,339 Crores and a YoY growth rate of 22%, the microfinance industry in India is expanding rapidly. There are 82 NBFC-MFIs, 13 Banks, SFBs, and other NBFCs driving the industry. The expansion was made possible by increased government funding and the allocation of a record INR 22,138 Crores to MSMEs, which is anticipated to increase employment in the nation. In addition, the Government intended to inject INR 9,000 Crores into the Credit Guarantee Fund Trust for Micro and Small Enterprises Credit Guarantee Scheme, providing additional collateral-free credit of INR 2 Lakhs Crores to MSMEs and reducing the cost of credit by 1%.[6] Further, the Reserve

[5]The Economics Times
[6]Ministry of Finance Press Release

Bank of India (RBI) has implemented modification to the interest equalization rates, setting them at to 3% for MSME manufacturer exporters, who engages in exports across various harmonized system lines.[7] These measures will promote financial inclusion further and improve the outlook for India's BFSI and microfinance industries.

Microcredit Industry

From March 2022 to March 2023, the gross loan portfolio in the microcredit industry in India grew by 22.0%, a remarkable increase. This expansion has been accompanied by 6.6 Crores unique borrowers during the same time frame, bringing the total number of loan accounts to 13 Crores. In the fourth quarter of FY23, the average loan size was INR 43,607 and a total of 231 Lakhs in loans were disbursed. Bihar is the state with the largest outstanding portfolio, followed by Tamil Nadu and Uttar Pradesh. The sector is present in 729 districts across 28 states and 8 union territories, including very modest holdings in Ladakh and Lakshadweep. Despite the scope of operations, the overall health of the portfolio has improved, with a PAR >30 of 8.3% as of March 31, 2023, down from 10.1% a year earlier. These developments indicate a robust and expanding microcredit industry, which contributes significantly to the nation's financial inclusion.

New Regulatory Framework by the RBI

RBI's regulatory framework for microfinance institutions has provided numerous benefits to MFIs, such as expanding market opportunities, promoting healthy competition, facilitating financial inclusion, risk pricing, regulating household borrowing hence better repayment capacity, leveling the playing field between different categories of lenders, as well as meeting the needs of underprivileged borrowers. This framework has also enabled enhanced risk management and enables customers to make informed credit decisions.

The Indian Non-Banking Financial Institution - Microfinance Industry (NBFC-MFI)

Alleviating Poverty through Micro-Credit

The microfinance sector endeavors to promote the country's social and economic development while acting as a facilitator for the advancement of financial inclusion objectives. It has been crucial in providing financial services to low-income groups that are underbanked and unbanked. These microfinance organizations give collateral-free loans.

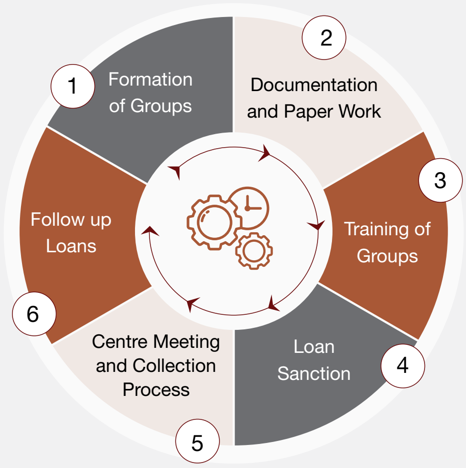
Over the last decade, the Indian microfinance market has undergone a significant transformation. The consumer, technology, and regulatory sectors have experienced incredible growth, and the industry is now present in approximately 717 districts of 35 states and union territories.[8] Microfinance loans are predominantly given to women from low-income households. These loans serve multiple purposes; from funding income-generating activities to purchasing necessities like housing, healthcare, and education. Also, the microfinance market's geographical presence is mostly rural, with 77% of the loan portfolio concentrated in rural India.

6+ Crores
Unique Borrowers

77%
Concentration in Rural India

13 Crores
Loan Accounts

The Operation Model of the Indian Microfinance Industry



[7] Times of India
[8] Micrometer Report, 31 March 2023

The industry mainly follows the Joint Liability Group (JLG) model of microfinance for its operations. A Joint Liability Group (JLG) is a group of individuals who come together to avail of a loan from a bank or financial institution. The group of individuals who engage in similar economic activities in either the farm or non-farm sector and know each other and agree to support each other, should any member face difficulty with their repayment obligation. It offers a mutual guarantee to the lender for the loan availed either individually or through the group mechanism.

The JLG process starts with the formation of the group, followed by documentation and paperwork, and training of the group. Once the group is formed and trained, they can proceed with loan transactions. During the loan process, the lender holds center meetings to review the progress of the loan and the group's economic activities. The loan is also tracked and followed up. JLGs are an important means of providing financial assistance to small-scale farmers and entrepreneurs, who may not have sufficient collateral for a loan. The group mechanism provides a mutual guarantee, reducing the risk of default and increasing the chances of loan repayment. JLGs have been successful in promoting financial inclusion and improving the livelihoods of individuals in rural and semi-urban areas.

Challenges

Lack of financial services awareness

India's literacy rate is still low, particularly in rural areas, despite various government initiatives. The majority of rural residents are uninformed about basic financial products. Due to the lack of awareness of the financial services provided by Indian microfinance institutions, both clients and MFIs face challenges.

Lack of financial literacy

Lack of borrower understanding of loan terms and conditions can lead to significant risks for Microfinance Institutions (MFIs). This includes increased credit risk due to potential over-borrowing and higher defaults, increased operational costs for debt recovery, and challenges in achieving financial inclusion goals. Thus, enhancing financial literacy among borrowers is essential for MFIs to manage these risks.

The expense of the outreach

MFIs primarily cater to the urban poor and underbanked populations residing in remote areas, which requires considerable logistical and field workforce expenditures for outreach activities. Consequently, more emphasis needs to be put on further digitization and process automation in order to streamline operations and optimize resource allocation.

Adoption of technology

Despite the considerable potential of technology to enhance accessibility and mitigate expenses, numerous microfinance institutions encounter challenges in adopting technological solutions. These obstacles arise from insufficient resources, inadequate infrastructure, or a lack of technical expertise.

Risk of geographic concentration

Microfinance institutions frequently operate within confined geographical clusters or communities. This geographic concentration, however, inherently exposes these institutions to potential risks associated with regional political or social turbulence, as well as environmental catastrophes. Such unforeseen events can significantly impede their operational capacities, subsequently restricting their ability to fulfil their customer's needs and meet their own commitments. Consequently, to mitigate this risk and enhance the stability of their growth and efficacy, microfinance institutions strategically strive for a wider geographical dispersion of their operations.

Rise in commodity prices

As commodity prices rise, borrowers' living and operational costs increase, affecting their ability to repay loans. This could lead to higher default rates, and destabilizing the institutions. Increased commodity prices can also cause inflation, potentially raising interest rates and slowing microloan demand. Moreover, as many microfinance borrowers are in agriculture, higher prices for inputs like fertilizers and seeds affect their income and loan repayment capacity.

Growth Drivers

Digital routes – There have been several technological interventions in the financial sector. These have helped lower operational costs and promote financial inclusion. Increased internet usage, mobile banking, and e-wallet services have made financial products more accessible. Digital India aims to transform India into a digitally empowered society and economy. It focuses on providing digital access and inclusion to all citizens, improving governance and services, and empowering citizens through digital technology. It has bridged the gap between government and citizens and delivered services in a transparent and corruption-free manner. It includes multiple projects across various Central Ministries/Departments, States and Union Territories. [9]

Furthermore, MFIs are greatly benefiting from FinTech collaborations by enhancing efficiency and scalability through automated operations, improving risk assessment with AI and machine learning, and reducing operational costs via digital transformations.

Key Initiatives	Impact
Unified Mobile Application for New-age Governance (UMANG)	For providing government services to citizens through mobile. More than 1,668 e-Services and over 20,197 bill payment services are made available at UMANG.
e-Sign	The e-Sign service enables individuals to sign forms and documents online promptly and legally. The service is utilized by multiple applications that incorporate UIDAI's OTP-based authentication services. To date, all agencies have issued over 31.08 Crores e-Signs, with CDAC issuing 7.01 Crores of them.
Digital Village	In October 2018, MeitY launched the 'Digital Village Pilot Project' aimed at covering 700 Gram Panchayats (GPs) and villages with at least one GP/Village per district per State/UT. The project offers various digital services such as digital health services, education services, financial services, skill development, solar panel-powered street lights, and government-to-citizen services (G2C) and business-to-citizen (B2C) services.
Open Government Data Platform	To encourage innovation and the sharing of non-personal data, an Open Government Data platform has been created. This platform has published over 5,93,000 datasets across more than 12,940 catalogs, resulting in 9.48 Million downloads.
Pradhan Mantri Gramin Digital Saksharta Abhiyaan (PMGDISHA)	The Government has started an innovative program called the "Pradhan Mantri Gramin Digital Saksharta Abhiyaan (PMGDISHA)" aiming to promote digital literacy among the rural population. Under the scheme, a total of 6 Crores rural households (with one person from each household) will be covered. As of now, approximately 6.63 Crores candidates are registered, with 5.69 Crores successfully trained and 4.22 Crores successfully certified.

Government Initiatives – Through the Deen Dayal Antyodaya Yojana, National Urban Livelihood Mission, the Government has successfully grouped rural women into more than 81 Lakhs self-help organizations so far. The Government intends to form a few large projects to encourage the next phase of economic empowerment.

Regulatory Framework by RBI

The new framework facilitates the growth of the industry and ensures a harmonized regulatory environment for different types of lenders. This, in turn, fosters healthy competition within the sector. Importantly, the framework serves to safeguard the interests of borrowers and enables the sector to effectively cater to the needs of those seeking financial assistance.

Diversification of Portfolio

Microfinance institutions (MFIs) play a vital role in rural areas, serving as the primary source of affordable financial solutions for a wide range of needs including education, healthcare, infrastructure, insurance and others. Their extensive presence in these regions presents an advantageous opportunity for MFIs to expand their offerings and cater to diverse customer requirements. Furthermore, this expansion opens doors for cross-selling and efficiently serving a substantial customer base.

Aadhaar-Enabled Identification System

The authentication infrastructure offered by Aadhaar-enabled e-KYC services, thumb-press banking at the doorstep, and direct cash transfers into the recipients' bank accounts. As far as services, transactions, and payments are concerned, it has introduced urgently needed transparency, accountability, and digital confidence.[10] Further to give statutory backing to Aadhaar 'The Aadhaar (Targeted Delivery of Financial and Other Subsidies, Benefits and Services) Act, 2016' was notified on 26th March 2016.

[9]Ministry of Electronics & IT Press Release

[10]Unique Identification Authority of India

760+ Million
Bank accounts linked with Aadhaar

16300+ Million
AePS Transactions

14000+ Million
e-KYC transactions

Outlook

The microfinance industry pledges to meet its objective of financial inclusion with a sustainable strategy supported by several changes towards digital enablement, partnerships, alliances, and ecosystems, as well as legislative advancements. The ability to develop new financial products and investment in new channels by the Indian MFIs will determine the future course of the industry.

Company Overview

Founded in 1990, Satin Creditcare Network Limited (SCNL) is one of the leading players in the Indian microfinance industry. In 1998, SCNL was registered as an NBFC, and in November 2013, it was granted NBFC-MFI status. Through focused strategic measures, the Company has scaled its operations in the last couple of years.

Serving ***all strata*** of society with a ***'Pan India'*** presence

24*
States and UTs

28 Lakh+*
Customers

1,287*
Branches

405*
Districts

*On Consolidated Basis

Core Competencies

- Innovative microfinance products portfolio driving industry leadership
- Extensive geographical footprint for enhanced business reach and diversity
- Business success is driven by technology expertise
- Well–diversified liability profile
- Enhanced financial stability through robust underwriting processes
- Positive ALM and strong capital adequacy
- Strong & experienced management team
- 30-Year legacy of navigating crisis with success

Our Product Offerings

	Loan Size (in INR)	Loan Tenure (in months)
Income Generating Loans	10,000 - 75,000	12-30
Water and Sanitation (WASH)	10,000 - 35,000	12-24
MSME Loan	1,00,000 - 15,00,000	Max 84
Lending to Corporate Institutions	1,00,00,000 - 10,00,00,000	Max 60
Social Impact Financing		
Solar	1,700 - 4,000	6-9
Cycle	5,600 - 7,000	6-9
Home Appliances	2,100 - 32,000	6-24
Mobile	11,499 - 15,499	12

Satin Housing Finance Limited (SHFL)

Incorporated in 2017, Satin Housing Finance Limited is a wholly owned subsidiary of SCNL. SHFL offers accessible home loans to individuals belonging to the middle and low-income groups who reside in the outskirts of tier-II and below cities to construct, purchase, repair or upgrade houses, as well as mortgage business loans. With its head office located in Gurugram, SHFL sources its business from Delhi-NCR, Haryana, Uttar Pradesh and Rajasthan.

SHFL has attained an AUM of INR 505 Crores, demonstrating a year-on-year growth rate of 59%. Furthermore, a disbursement amounting to INR 316 Crores has been documented, indicating a remarkable YoY growth of 111%. The Company has successfully established its presence in four states and has garnered a substantial customer base of 5,448 individuals.

The Company maintains a retail book exclusively, accounting for 100% of its portfolio. The overall quality of this portfolio remains uncompromised, as evidenced by a Gross Non-Performing Assets (GNPA) ratio of 0.34% as of March, 2023. Furthermore, the Company has established relationships with 21 active lenders, which includes NHB-Refinance.

Satin Finserv Limited (SFL)

Established in August 2018, Satin Finserv Limited is a wholly-owned subsidiary of SCNL. The Company currently operates through its corporate office at Gurugram, and 178 branches spread across ten states. SFL is currently focused on providing small ticket-size secured MSME/SME loans, with a primary focus on traders, retail/wholesale merchants, manufacturers, service providers, self-employed or professionals, education ventures, agribusinesses. After the successful merger of Taraashna Financial Services Limited (TFSL) with SFL, the subsidiary is also engaged in business correspondent activities with various banks.

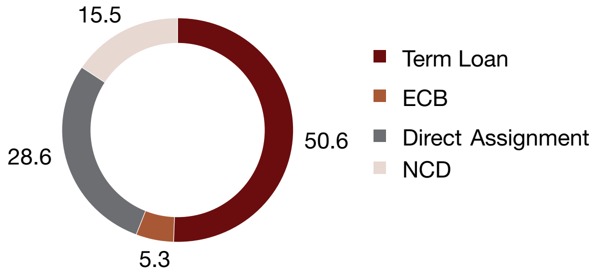
SFL has achieved an AUM totaling to INR 682 Crores. The disbursement amount has reached INR 381 Crores, showcasing a positive momentum in the retail loan segment. The GNPA ratio stands at 4.14%, indicating the proportion of non-performing loans in relation to the total loan portfolio. Furthermore, the CRAR stands at an impressive 47%, reflecting the Company's strong capital adequacy and resilience.

FY 2022-23 Snapshot

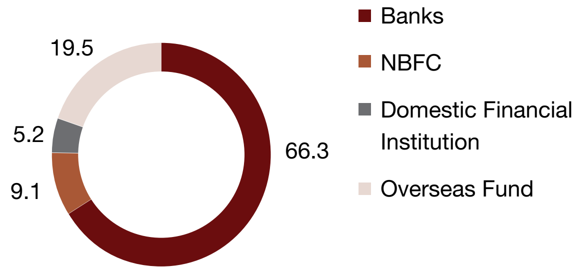
- During the year under review, the Asset Under Management (AUM) of the SCNL reached a substantial value of INR 7,929 Crores, indicating positive growth prospects. This growth rate of 24% year-on-year exceeded the guided range, demonstrating the Company's robust momentum.
- There was a significant increase in disbursement, with a year-on-year growth of 83% amounting to INR 7,390 Crores.
- The new portfolio significantly contributed to SCNL's achievements, constituting approximately 94% of the on-book MFI AUM. This portfolio, originated from July 2021 onwards, exhibited excellent performance with remarkably low Portfolio at Risk (PAR) figures. PAR 1 was reported at 0.7%, while PAR 90 impressively remained at 0.3%, highlighting SCNL's effective implementation of risk management and underwriting practices.
- The commendable asset quality and collection efficiency serve as evidence of the fundamental strength of the Company's on-ground team and meticulous assessment methodology. The Company experienced noteworthy enhancements in its asset quality, as evidenced by the reduction in Gross Non-Performing Assets (GNPA) from 8.01% in March 2022 to 3.28% in March 2023. This improvement can be attributed to the robust underwriting procedures and reinforced collection process implemented by SCNL, which emphasise the Company's commitment to maintaining a healthy loan portfolio.
- Throughout the fiscal year, the Company focused its efforts on mitigating stress in the restructured book. The book has now reduced to 2.5% of the on-book AUM.
- The collections against write off pool for FY23 was INR 48 Crores, representing strength of the Company's feet on the street and their commitment towards recovering the bad loans.
- In terms of borrowing, the Company successfully raised INR 6,846 Crores from multiple lenders in FY23. Additionally, the Company expanded its network of lenders by adding seven new lenders. This signifies the market's confidence in the Company and its business capabilities. As of the fourth quarter of FY23, the Company maintains a substantial liquidity position of INR 1,029 Crores.
- SCNL Capital to Risk-Weighted Assets Ratio (CRAR) stood at a healthy level of 26.6%, indicating a strong capital base to support growth opportunities.
- The Company has been able to see regular equity infusions even during the pandemic. From FY 21-22 to till now, the Company has received a sum of INR 137 Crores out of INR 225 Crores of preferential allotment via the issue of equity shares and fully convertible warrants.
- The Company is optimizing its existing infrastructure to achieve operational efficiencies and ensure the effective utilisation of resources.

Funding profile

Product wise (in %)



Lender-wise (in %)



Financial Overview

The Company's annual revenue amounted to INR 1,762 Crores, reflecting a 40% increase compared to the previous year. Furthermore, the pre-provisioning operating profit grew substantially year-on-year, reaching INR 737 Crores. The profit after tax (PAT) for the period amounted to INR 264 Crores. The return on assets (RoA) was reported at 3.5%, while the return on equity (RoE) stood at 15.0%.

Key Financial Ratios

Particulars	March 31, 2023	March 31, 2022
Gross Yield	24.57%	18.44%
Financial Cost Ratio	8.04%	8.86%
Net Interest Margin	16.54%	9.58%
Operating Expenses Ratio	6.25%	6.20%
Loan Loss Ratio	5.53%	2.51%
RoA	3.52%	0.53%
RoE	15.02%	2.60%
Leverage (Total Debt/ Total Net worth)	2.9 times	3.44 times
Cost to Income Ratio^	37.80%	64.76%

1. Gross Yield represents the ratio of total Income in the relevant period to the Average AUM; **adjusted gross yield (excluding extraordinary income of INR 352 Crores) for FY23 is 19.66%**
2. Financial Cost Ratio represents the ratio of Interest Expense in the relevant period to the Average AUM
3. Net Interest Margin represents the difference between the Gross Yield and the Financial Cost Ratio; **adjusted NIM (excluding extraordinary income of INR 352 Crores) for FY23 is 11.62%**
4. Operating Expenses Ratio represents the ratio of the Operating Expenses (expenses including depreciation but excluding Credit Cost and interest Expense) to the Average AUM
5. Loan Loss Ratio represents the ratio of credit cost (including FLDG on BC) to the Average AUM
6. RoA is annualized and represents ratio of PAT to the Average Total Assets
7. Total Debt includes Securitization and preference shares considered as debt in accordance of IndAS
8. RoE is annualized and represents PAT to the average equity

^Cost to Income is low on account of extraordinary gain on fair value change for investment in subsidiaries amounting to INR 352 crore during Q1FY23; adjusted for FY23 is 53.78%

Human Resource Management

The Company has achieved the honour of being ranked 30th amongst the 'Top 100 India's Best Companies to Work for 2023 across all industries for the second consecutive year by Great Place to Work, India. Additionally, the Company has been acknowledged as the "Best Employer in the MFI category" for the second year in a row and it has also been included among the "Top 25 Best Workplaces in the BFSI" companies for the second consecutive time.

Furthermore, in FY23 the Company has been bestowed with the recognition of being among the Top 50 organizations fostering a "Culture of Innovation."

The HR department has consistently conducted a series of surveys aimed at comprehending the work culture and assessing employee satisfaction on a regular basis. The organization has consistently prioritized the investment in young talent, and initiatives such as the Young Leaders Development Program (YLDP) and campus hiring have yielded remarkable outcomes. Approximately 89% of Satin's workforce comprises individuals below the age of 35 years.

Employee-centricity has always been a paramount concern for the organization, and the Company has implemented various policies and initiatives to ensure the well-being of its employees. These include provisions such as advance against medical exigency leaves, Satin Sahyog, Satin Ease, and Satin Suraksha, leaving no stone unturned in prioritizing employee welfare.

Frequent training programs are conducted by the Company to enhance the skills and capabilities of its workforce. These programs encompass Train the Trainers (TTT) sessions for District Relationship Managers (DRMs) and Territory Managers (TMs), induction training for new employees, and promotional training for recently promoted personnel. Special emphasis is placed on training employees to serve customers in rural areas, with a strong focus on customer-centricity and core processes. E-learning modules have been developed specifically for front-line employees, and more than one hundred training sessions have been conducted to familiarize employees with various IT tools.

Moreover, the Company's core value of "Nurturing Lives" is reflected in the design of a succession plan that exclusively focuses on internal employee growth. This plan ensures that 90% of employees progress internally and fill positions from "Feet on Street" to the RM level. The management wholeheartedly supports these initiatives, underscoring their belief in prioritizing employees and promoting a culture centered around their well-being.

11,131*
Total employees

*On Consolidated Basis

Process Excellence Led by Technology

In 2016-17, Satin embarked on the journey of in-house development of its own Enterprise Resource Planning (ERP), primarily due to the fact that the legacy application (BIJLI), that the Company was using at the time was not scalable because of restrictions in the application architecture. Our in-house created ERP has made some significant advancements, including the following:

Shift from a Decentralized Architecture to a Centralized Architecture: The Company previously had an application architecture that was distributed and decentralized, resulting in a time-consuming process that could take around 15-20 days. However, with the implementation of their in-house developed ERP, the architecture became centralized. This enabled the Company to capture real-time data and generate dashboards that refresh every 2 minutes, providing management with a comprehensive view of the business. The field force now has the capability to conduct real-time transactions through synced tablets, improving operational efficiency. Furthermore, the Company migrated from SQL to Oracle as the database, leveraging its superior capabilities. The hardware infrastructure is equipped with state-of-the-art technology and utilizes fast SSD storage. Recognizing the challenges posed by unstable networks in the villages where they operate, the Company's proposed Android application has been designed to function both offline and online. It automatically syncs with the server, allowing data to be saved for up to 15 days even without network connectivity.

Real-time Data Processing: The Company has implemented improvements in data processing, enabling real-time updates of captured data. With detailed analytics and business dashboards, management at all levels can access minute details and track key performance indicators (KPIs) of employees. Data refresh occurs every 2 minutes, providing instant insights into the business dynamics.

GEO Fencing Based Solutions: The application incorporates geo-fencing technology, allowing mapping of customer locations using GPS. This feature enables tracking of the field force based on the customer's location, providing insights into business density in specific geographical areas.

AI and ML Integration: The application integrates artificial intelligence (AI) and machine learning (ML) technologies. The AI/ML engine ensures the capture and upload of clean and readable KYC documents by field personnel. If the document does not meet the readability criteria, it prevents the capture and upload. This feature ensures regulatory compliance and improves the quality of uploaded KYCs.

Cashless Collection: The application offers multiple cashless collection modes, including NEFT, IMPS, Debit Card, QR Code-based payment, AEPS, BBPS, and UPI 2.0. These options enable hassle-free and secure transactions for customers.

AWS Implementation: The implementation of Amazon Web Services (AWS) in the Company has brought numerous benefits and opportunities for growth. With AWS, the Company has achieved scalability, easy expansion of its operations as their business grows. The pay-as-you-go model ensures cost efficiency, allowing the Company to optimize its IT expenses and allocate more funds to their mission of financial inclusion. AWS also provides robust security measures, ensuring the protection of sensitive data, and offers high reliability and resilience through its global network of data centers. SCNL leverage on AWS's data analytics and machine learning services to gain valuable insights for data-driven decision-making and enhance operational efficiency. Furthermore, AWS supports the Company in its digital transformation journey, enabling the adoption of advanced technologies such as mobile banking, digital lending platforms, automated processes, and AI-powered Chatbot to enhance customer experience and operational efficiency.

Internal Control and Adequacy

The policies and procedures adopted by the Company take into account the design, implementation and maintenance of adequate internal financial controls, keeping in view the size and nature of the business. The internal financial controls ensure the orderly and efficient conduct of its business. The controls encompass safeguarding of the Company’s assets, strict adherence to policies, and prevention and detection of frauds and errors against any unauthorised use or disposition of assets and misappropriation of funds. These controls help to keep a check on the accuracy and completeness of the accounting records and timely preparation of reliable financial disclosures. The Audit Committee ensures that all procedures are properly authorised, documented, described and monitored. The Company has in place technologically advanced infrastructure with computerization in all its operations, including accounts and MIS.

The Company has in place strong internal audit processes and systems and designs annual risk based audit plan to ensure optimum portfolio quality and keep risks at bay. There is a risk based audit methodology for branch audits and centralized support functions audits which are planned based on various risk based parameters. There is a full-fledged in-house Internal Audit department. The branch audits, regional office audit, social audit takes place generally on a quarterly basis while centralized support function audits takes place as per periodicity defined in the audit plan.

The Audit Committee of the Board of Directors, comprising majority of Independent Directors, periodically reviews the internal audit reports, covering findings, adequacy of internal controls, and ensure compliances. The Audit Committee also meets the Company's Statutory Auditors to ascertain their views on the financial statements, including the financial reporting system, compliance to accounting policies and procedures, adequacy and effectiveness of the internal controls and systems followed by the Company. Information System Security controls enable the Company to keep a check on technology-related risks and also improve business efficiency and distribution capabilities. Your Company is committed to invest in IT systems, including back-up systems, to improve the operational efficiency, customer service and decision-making process.

High standards of the Company's internal control systems is adequately reflected in it receiving ISO 27001:2013 Certification post qualifying two stages of audit by third party certification body - Documentation audit and Control Testing audit. There is also an annual Surveillance Audit conducted by third party ISO Auditors to retain the certification. This indicates the Company has an integrated and robust Information Security Management System (ISMS) in its business processes & exemplifies that information security and client confidentiality are part of the cornerstones the Company's strategic objectives. This approach also ensures that employees supported by IT systems and processes throughout the organization maintain a high standard of security.

ISO 27001:2013
Certified Information Security Management System (ISMS)

The Company has been using "Centralized Shared Services Center" to be more vigilant in authentic on-boarding of customers. Centralized Shared Services (CSS), an outsourced Process unit helps in verification of Loan Application and KYC documents by verifying the authenticity of the clients being disbursed. This has helped in filtering adverse customer selection & sanctioning.

Risk Management

The Company operates in a dynamic and challenging environment where several risks can impact its operations. It has a robust risk management policy, framework, and tracking tools to assist the Company in managing various risks effectively. The risk management framework is designed to identify, assess and mitigate risks at different levels.

The Company's risk management policy considers several factors to determine the risk premium on a case-to-case basis. The Company considers the inherent nature of the product, market reputation, default risk, historical performance of similar clients, tenure of relationship with the borrower, repayment track record, future potential and competitor rates.

[For more details on Risk Management, refer page 22 of this Annual Report]

Corporate Governance

The Company is recognized as a responsible member of the finance industry. It is endeavoring to promote financial inclusion and empower people belonging to financially and socially underserved sections of society. It is committed to conducting its business in a manner that demonstrates fairness, transparency, integrity, and ethics, as well as foster a sense of responsibility towards society at large. This approach has helped it weather the turbulent times that the microfinance industry has faced from time to time.

The Company's governance standards, while initiated by the Board and its senior management, are adopted throughout the organization to ensure fairness and consistency. Care is taken to make sure that internal stakeholders understand and imbibe the view that adherence to Corporate Governance stems not just from the letter of law, but also from the Company's commitment to doing business the right way.

The Company ensures that all decisions are taken fairly and transparently, well within the ethical framework espoused by the senior management. The organizational governance structure, practices, and processes are actively monitored and revised periodically to reflect the best ethical practices. The Central Board of Indirect Taxes and Customs (CBIC) conveyed its appreciation to the Company for the prompt filing of returns and payment of Goods and Services Tax consecutively for two years, namely FY22 and FY23. This recognition underscores the Company's strong adherence to compliance practices.

The Company is required to adhere to the applicable regulations and provisions prescribed by the Reserve Bank of India (RBI), the Securities and Exchange Board of India (SEBI), the Ministry of Corporate Affairs (MCA), and other applicable statutory authorities. Corporate governance structures and practices are predominantly impacted by the respective regulations issued by the said ruling bodies. A compliance certificate by **Mr. Sheshdev Behera from M/s S. Behera & Co.**, Company Secretaries, regarding the compliance of the conditions of corporate governance and to certify that none of the directors has been debarred or disqualified from being appointed or continuing as directors of the Company by the SEBI/MCA or any such statutory authority, under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, for FY23, is annexed to the Corporate Governance Report, provided separately in this Annual Report. A report on corporate governance, which forms part of the Directors' Report, is also enclosed herewith.

Reserve Bank of India (RBI): Compliance

The Company strictly abides by the guidelines issued by the Reserve Bank of India (RBI). Being a Systemically Important non-deposit-taking NBFC, the Company is governed by the Non-Banking Financial Company – Systemically Important non-deposit-taking Company and deposit-taking Company (Reserve Bank) Directions, 2016. Qualifying assets criteria, asset classification and provisioning, pricing of credit, capital adequacy, multiple lending, over-borrowing, compliances, and fair practices are the directions included in the guidelines. The Company complies with all the conditions and directions issued by the RBI regularly.

Corporate Social Responsibility (CSR)

The Company is engaged in Corporate Social Responsibility (CSR) activities through two implementing agencies, namely the S. Amar Singh Educational Charitable Trust and the Shafiq Ahmad Ansari Memorial Trust. The said organizations have been selected on the basis of the Company's CSR policies and objectives.

The Company has chosen to work with these particular implementing agencies based on their expertise, experience, and alignment with the Company's values and goals. By partnering with these organizations, the Company aims to make a meaningful impact in the lives of underprivileged students and contribute to the betterment of society as a whole.

SDGs in the Core of Our Community Connect Activities

1.75 Crores
CSR Expenditure

Best Education Support Initiative FY23

Awarded by the Indian Social Impact Awards 2023

[For more details on our Social Capital, refer page 53 of this Annual Report]

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT 2022-23

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1	Corporate Identity Number (CIN) of the Listed Entity	L65991DL1990PLC041796
2	Name of the Listed Entity	Satin Creditcare Network Limited
3	Year of incorporation	October 16, 1990
4	Registered office address	5th Floor, Kundan Bhawan, Azadpur Commercial Complex, Azadpur, Delhi-110 033
5	Corporate address	Plot No. 492, Udyog Vihar, Phase – III, Gurugram, Haryana – 122016, India
6	E-mail	info@satincreditcare.com
7	Telephone	+91 124 471 5400
8	Website	www.satincreditcare.com
9	Financial year for which reporting is being done	2022-2023
10	Name of the Stock Exchange(s) where shares are listed	• National Stock Exchange of India Limited (NSE) – NSE Ticker: SATIN • BSE Limited (BSE) – BSE Ticker: 539404
11	Paid-up Capital	INR 85,22,41,250
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	• DIN: 00333754 • Name: Mr Harvinder Pal Singh • Designation: Chairman cum Managing Director • Telephone number: 0124-4715400 • E-mail Id: hpsingh@satincreditcare.com
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	The disclosures under this report are made on a standalone basis.

14 Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Microfinance Services	Providing loans for income generation activities to the economically weaker sections	94.69%*

*Total turnover excluding one time extraordinary income of INR 352 Crores

15 Products/Services sold by the entity (accounting for 90% of the entity's Turnover)

S. No.	Product/Service	NIC Code	% of total Turnover contribute
1	Microfinance Services	64,990	Same as mentioned above in 14

16 Number of locations where plants and/or operations/offices of the entity are situated

Location	Number of offices (Total)
National	1,147
International	-

17 Markets served by the entity:

a. Number of locations

Location	Number
National (No. of States)	24
International (No. of Countries)	-

b. What is the contribution of exports as a percentage of the total turnover of the entity?

Data Not Applicable

c. A brief on types of customers.

We primarily provide micro-credit facilities to economically active women both in rural and semi-urban areas who are underserved or unserved by the traditional banking network or other channels of finance.

18 Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
			Employees			
1	Permanent **(D)**	9,222	8,950	97%	272	3%
2	Other than Permanent **(E)**	811	778	96%	33	4%
3	**Total employees (D + E)**	**10,033**	**9,728**	**97%**	**305**	**3%**

19 Participation/Inclusion/Representation of women

S. No.	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	7	1	14%
Key Management Personnel	4	0	0

20 Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

	FY 2023			FY 2022			FY 2021		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	54%	58%	51%	43%	51%	45%	44%	38%	46%

21 (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Satin Housing Finance Limited	Subsidiary Company	100%	Yes
2	Satin Finserv Limited	Subsidiary Company	100%	Yes

22 (i) **Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)**

Yes, the Company's Corporate Social Responsibility (CSR) is widely defined, taking into consideration the following factors:

- Welfare measures for the community at large, so as to ensure the poorer section of the society deriving the maximum benefits.
- Contribution to the society at large by way of social and cultural development, imparting education, training and social awareness especially with regard to the economically backward class for their development and generation of income to avoid any liability of employment.
- Protection and safeguard of environment and maintaining ecological balance.

(ii)	Turnover (in INR)	1,761.54 Crores
(iii)	Net worth (in INR)	1,926.61 Crores

23 Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2023			FY 2022		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	Nil	Nil	-	Nil	Nil	-
Investors (other than shareholders)	Yes	Nil	Nil		Nil	Nil	
Shareholders	Yes	4	Nil		4	Nil	
Employees and workers	Yes	771	10*		1,184	6*	
Customers	Yes	7,528	55*		11,093	51*	
Value Chain Partners	Yes	Nil	Nil		Nil	Nil	

*Complaints pending as at the end of the financial year have been subsequently resolved as of the date of the report.

The web link for grievance redress policy - https://satincreditcare.com/wp-content/uploads/2023/04/18.-Client-Grievance-Redressal-Mechanism.pdf

24 Overview of the entity's material responsible business conduct issues:

Refer to Page 22 of this Annual Report

Section B: Management and Process Disclosures

Disclosure Question		P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes										
1	a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
	b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
	c. Web Link of the Policies, if available	https://satincreditcare.com/policies-practices/								
2	Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y

Disclosure Question		P1	P2	P3	P4	P5	P6	P7	P8	P9
4	Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	The Company is fully compliant with applicable rules and regulations.								
5	Specific commitments, goals and targets set by the entity with defined timelines, if any.	The Company strives towards its mission and vision of working for the underserved and unserved sections of society by providing a comprehensive range of products and services. The Company believes in gender empowerment and leveraging on technology and innovation to forge sustainable strategic partnerships.								
6	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	The Company diligently oversees the progress against its action plan. Our client base comprises of around 99% of women entrepreneurs ensuring gender empowerment. About 77% of our portfolio exposures is from Rural areas. Around 77% of our portfolio is to minotiry, OBC and SC & ST.								
Governance, leadership and oversight										
7	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	Refer to page 12 of this Annual Report								
8	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Mr Harvinder Pal Singh Chairman cum Managing Director								
9	Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details	Mr Harvinder Pal Singh Chairman cum Managing Director Chairman of the CSR Committee								

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee								
	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Y	Y	Y	Y	Y	Y	Y	Y	Y
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Y	Y	Y	Y	Y	Y	Y	Y	Y

		P1	P2	P3	P4	P5	P6	P7	P8	P9
11	Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	Y (SMERA)	N	Y (GPTW)	N	N	N	N	N	Y (60 DB)

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	We consider all 9 principals material to the business								

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable

PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe

PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

PRINCIPLE 5 Businesses should respect and promote human rights

PRINCIPLE 6 Businesses should respect and make efforts to protect and restore the environment

PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

PRINCIPLE 8 Businesses should promote inclusive growth and equitable development

PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner

PRINCIPLE 1

Essential Indicators

1 **Percentage coverage by training and awareness programmes on any of the Principles during the financial year:**

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	-	-	-
Key Managerial Personnel	-	-	-
Employees other than BoD and KMPs	•Training Sessions : 2,431 • Training Sessions delivered digitally through video conferencing : 1,576 • Training Sessions conducted in Regional Offices : 337 • Training sessions at Branches : 518	•Basic information of organization, micro finance, organizational process, product and policies, skill development and branch level trainings to improve branch audit ratings and field operations. Induction, collection and Disha training conducted for newly hired candidates which help them to operate in fields as per process	96.04%

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
		• Promotional trainings are conducted for Branch Managers, which includes leadership, behavioural, and soft skills training as well as functional training followed by assessment and on the job training • Standard practice training are given to CSOs and to DRMs. • TTT (Train The Trainers) conducted for DRMs / TMs so that they can deliver trainings on branches on updates and process.	

The Independent Directors are familiarized with their roles, rights and responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, legal updates, etc. through structured familiarization program. The details of the familiarization program for the Independent Directors is available on the Company's website at below link: Web Link: https://satincreditcare.com/policies-practices/#1611050197222-fdc295ab-84a2

2 Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

NIL

3 Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Data Not Applicable

4 Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

The Company's anti-corruption or anti-bribery policy is covered under Procedure for Dealing with Cases of Misconduct in Acts of Misconduct of Standing order & Service rules, which is available on the intranet of the organization.

The Company takes a stance of zero tolerance towards bribery and fraud practices and its Whistleblower Policy provides the necessary safeguards. It enables our employees to voice their concerns about unethical behavior, actual or suspected fraud or to report them. This policy applies to all stakeholders or persons associated with SCNL.

5 Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2023	FY 2022
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil

6 **Details of complaints with regard to conflict of interest**

	FY 2023		FY 2022	
	Number	Remark	Number	Remark
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	-	Nil	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	-	Nil	-

7 **Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest**

No corrective actions pertaining to above mentioned parameters was necessitated by the Company during the year under review.

Leadership Indicators

1 **Awareness programmes conducted for value chain partners on any of the Principles during the financial year:**

Data Not Applicable

2 **Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/ No) If Yes, provide details of the same.**

Yes, as per the provisions of the Companies Act, 2013, the Directors of the Company, annually provide details of Entities/ Relatives in which they have interest. Based on which, the Company maintains the register and put a check during any proposal with any entity / person whether any of the Director of the Company is having interest or not.

In case, if there is any interest of any Directors then he/she is not allowed to participate in that particular proposal. Further, the Company also have policy on Materiality of Related Party Transactions and Dealing with Related Party Transactions to take care of Related Party Transactions which can present a potential or actual conflict of interest which may be against the best interest of the Company and its shareholders.

The said Policy is available on the website of the Company at https://satincreditcare.com/wp-content/uploads/2022/03/Policy-on-Materiality-of-RPT-and-Dealing-with-RPT.pdf

PRINCIPLE 2

Essential Indicators

1 **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

	FY 2023	FY 2022
R&D	34,37,500	27,50,000
Capex	1,72,92,574	1,38,34,059

2 **Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

As the nature of the business of the Company is providing loans, the consumption of resources is limited to running the operations. The Company endeavors to engage with suppliers who integrate environmental and social considerations into their products and services. The Company conducts majority of its branch procurement from local businesses/suppliers.

3 **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for**

(a) Plastics (including packaging) (b) E-waste (c) Hazardous waste (d) Other waste	**E-waste -** The Company engages with certified e-waste handlers (vendors) for disposal of the e-waste. The Company has received an e-waste disposal certificate from its vendor certifying disposal in an environmentally friendly manner. **Other waste -** The Company has a Sewage Treatment plant situtated in its head office wherein waste water is treated and reused for sanitation purposes.

4 **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

Data Not Applicable

Leadership Indicators

1 **Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

The primary business activity of the Company is providing financial services to the marginalized community. The loan cycle is a sequential process ranging from sourcing of the loan to loan approval, disbursement, servicing and repayment of the loan.

For more information, refer page 78 of this Annual Report.

2 **If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same**

None other than those identified in S. No. 24 of Section A above.

3 **Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

SCNL provides financial solutions to its customers and does not manufacture any products, hence we do not currently maintain records for recycled/reused material consumed.

4 **Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:**

Data not applicable

5 **Reclaimed products and their packaging materials (as percentage of products sold) for each product category**

SCNL provides financial services and thus the above is not applicable.

PRINCIPLE 3

Essential Indicators

1 a. Details of measures for the well-being of employees:

Category	% of employees covered by								
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)
Permanent employees									
Male	8,950	1,980	22%	8,950	100%	0	0%	8,950	100%
Female	272	125	46%	272	100%	272	100%	0	0%
Total	**9,222**	**2,105**	**23%**	**9,222**	**100%**	**272**	**3%**	**8,950**	**97%**
Other than Permanent employees									
Male	778	778	100%	778	100%	0	0%	778	100%
Female	33	33	100%	33	100%	33	100%	0	0%
Total	**811**	**811**	**100%**	**811**	**100%**	**33**	**4%**	**778**	**96%**

The majority of the Company's staff is related to field operations and as per statutory compliance, the said are covered by ESIC social security. The rest of the employees are covered under Mediclaim.

2 Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2023		FY 2022	
	No. of employees covered as a % of total employees	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	Deducted and deposited with the authority (Y/N/N.A.)
PF	99%	Y	98%	Y
Gratuity	100%	NA	100%	NA
ESI	77%	Y	77%	Y

The employees outside the purview of ESI are covered in Group Medical Coverage.

3 Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, the Company ensures safety and easy accessibility for differently abled people. In our corporate office, we have ramps and elevators for easy movement of differently abled person and most of our branches are located on the ground floor for easy accessibility.

4 Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

The Company does not have a specific equal opportunity policy in place, but as per our recruitment policy, the Company does not discriminate on any factors like race, religion, caste, gender and any disabilities (Physical disabilities/Intellectual Disability/ Mental Behaviour) etc.

5 Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees	
	Return to work rate	Retention rate
Male	100%	100%
Female	100%	67%
Total	100%	67%

6 Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Employees	Yes
Other than Permanent Employees	Yes

Yes the Company has an employee grievance mechanism in place called “Atoot Bandhan”, where employees can raise any issue with full anonymity and action is taken accordingly.

The Company also has an Alumni Portol wherein the ex-employees can check the status of their F&F and related issues.

The Company follows an open door policy where any employee irrespective of hierarchy has access to the senior management.

7 Membership of employees and worker in association(s) or Unions recognised by the listed entity

Data Not Applicable

8 Details of training given to employees and workers:

	FY 2023					FY 2022				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% C / A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	9,728	8,326	86%	5,112	53%	10,736	9,794	91%	5,790	54%
Female	305	222	73%	136	45%	405	151	37%	152	38%
Total	**10,033**	**8,548**	**85%**	**5,248**	**52%**	**11,141**	**9,945**	**89%**	**5,942**	**53%**

9 Details of performance and career development reviews of employees and worker:

	FY 2023			FY 2022		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	8,950	5,981	67%	10,399	7,447	72%
Female	272	148	54%	337	218	65%
Total	**9,222**	**6,129**	**66%**	**10,736**	**7,665**	**71%**

10 Health and safety management system

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

The Company is commited towards health & safety of its employees and has undertaken various awarness programmes on safety protocols by conducting periodic trainings on fire safety and evacuation drills, internal communication and alerts are sent out to employees, etc.

The Company strongly pays its emphasis on both, the physical and mental well-being of its employees and has organised various workshops and discussions with well-being experts and medical practitioners. At the workplace, training programmes on the safety of women employees is mandatory for all employees. Further, the employees are covered under the following policies:

- Group Mediclaim Policy
- Group Term life Policy
- Personal Accident Policy
- Employee State & Insurance policy

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

The Company provides financial solutions and does not engage in manufacturing activities and hence the above is not applicable for us. However, the Company has proper health and safety management system in place as specified above in 10 (a).

c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)

The Company does not employ any worker and hence not applicable.

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes. The Company has the following non-occupational medical and healthcare services for its employees:

- Group Mediclaim Policy
- Group Term life Policy
- Personal Accident Policy

11 Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2023	FY 2022
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	Not Recorded	Not Recorded
Total recordable work-related injuries		43	0
No. of fatalities		8	4
High consequence work-related injury or ill-health (excluding fatalities)		Not Recorded	Not Recorded

12 Describe the measures taken by the entity to ensure a safe and healthy work place.

Refer to 10 (a) above

13 Number of Complaints on the following made by employees and workers:

	FY 2023			FY 2022		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	Nil	Nil	-	Nil	Nil	-
Health & Safety	Nil	Nil	-	Nil	Nil	-

14 Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	The Company strives to keep the workplace environment safe, hygienic and humane, upholding the dignity of the employee. The head office of the Company is internally assessed periodically through audits for various aspects of health & safety.

15 Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

No corrective actions pertaining to above mentioned parameters was necessitated by the Company during the year under review.

Leadership Indicators

1 Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N)

Yes, the Company extends life insurance and EDLI benefits in the event of death of its employees. Also, the Company has a well defined policy known as 'Satin Sahyog' wherein the organization offers term life insurance, including pension, education assistance, job for the family members and mediclaim cover for the entire family, as applicable.

2 Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The Company makes sure that taxes applicable in accordance with the regulations to the transactions of the Company are deducted and deposited on a timely manner. This is also reviewed as part of the internal and statutory audit. The Company expects its value chain partners to uphold the values of tranparency and accountability.

3 **Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment**

	Total no. of affected employees/workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2023	FY 2022	FY 2023	FY 2022
Employees	Refer to 11 above			

As a Company that cares, SCNL stand by the employees and their family who succumb to fatal accidents. Refer (1) above

4 **Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)**

Yes, the Company invests in learning of employees. For instance, courses have been sponsored by the organization for the skill enhancement of employees.

5 **Details on assessment of value chain partners:**

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	The Corporation expects all its value chain partners to follow extant regulations, including health and safety practices and working conditions.

6 **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners**

No corrective action plan has been necessitated on the above mentioned parameters.

PRINCIPLE 4

Essential Indicators

1 **Describe the processes for identifying key stakeholder groups of the entity**

Any individual or group of individuals or institution that adds value to the business chain of the company is identified as a core stakeholder.

The key stakeholders groups of the Company are:

- Customers
- Employees
- Investors
- Government and regulatory bodies
- Communities
- Lenders
- Media
- Rating agencies
- Analyst
- Other business partners

2 List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers	Yes	• Customer care channels – Telephone, Email, Website • Centre meeting • Customer relationship managers • Financial literacy program • Engagement through business correspondent network • Customer satisfaction surveys	Ongoing and need based engagement	• To provide affordable financial services • Quality and convenience of access to our products and services • To promote digital literacy • World-class customer service • To address the issues of the customers • Transparency in process and the operations
Stakeholders & Investors	No	• Investor meets and calls • Investor grievance channels • Dissemination of information through - financial results, investor presentations and press releases • Annual general meeting • Website • Various media channels	Annual, Quarterly, Needbased and Ongoing	• Updating on business performance and developments in the Company and its subsidiaries • To ensure ethical business practices • Transparent and timely reporting
Government and Regulatory Bodies	No	• Engagement at industry platforms and meetings • Presentations • Regulatory reporting practices • E-mail and postal communications	Periodic and need-based engagement	• Compliance with all legal and regulatory requirements • Effective governance • Responsible tax payment • Discussion in regard to various regulations and amendments • Inspections
Employees	No	• Leadership connect • Performance reviews • Town halls • Training and development programs • E-learning modules • Employee grievance redressal platform • Employee engagement Initiative • Management VC's • Emails/Calls	Need-based and ongoing engagement	• Career advancement opportunities • Job security • Adequate training to match new business requirements • Transparent feedback • Fair remuneration and incentives • Recognition Alignment of Company's objectives

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Communities	Yes	• Financial empowerment Programs • Disaster relief initiatives • Education initiatives • Medical insurance & health • Camps • Employee volunteering through our CSR activities viz (Financial empowerment Programs, disaster relief & education initiatives and medical insurance & health camps	Need-based and ongoing engagement	• Advancing lives • Community investment development • Environment preservation
Lenders, Media, Rating Agencies, Analysts and Other business partners	No	• Meetings • Calls • Website • Newspaper • Email	Need-based and ongoing engagement	• Updating on business performance and outlook • Financial results • Industry developments • Addressing key issues & concern

Leadership Indicators

1 **Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

The Company's business activities include a constant process of engagement with its stakeholders. According to the requirements, the top management also participates in discussions with stakeholders, driven by the responsible business functions. Any material feedback received from the stakeholders is communicated to the Board on an ongoing basis and the Board offers its advice and comments on such matters.

2 **Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

Constant interaction with stakeholders helps to improves the Company's ability to better serve its stakeholders and hence, the Company is open to enact upon and incorporate any relevant suggestions. Over the last few years, the Company has enhanced its reporting on business responsibility and started certain initatives. For example - as per the suggestion of one of our key stakeholder, the organization added a clause on child labour, adding value to the social and environment policy.

3 **Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.**

Understanding the needs

The Company specializes in delivering basic financial services to low-income rural Indian people. The Company aids these households in carrying out economic activities by providing them with easy access to collateral-free microcredit.

All of the Company's products are designed in a way that covers and specializes needs of our customers. Primarily, IGL loans are provided for purposes like agriculture, transportation, trading, and production related business activities, that cater to uplifting the weaker sections of society economically. We also give clean energy loans, water loans, sanitation loans, pressure cooker loans, and facilitates health to improve the quality of life of our borrowers and their families.

Dedicated to Development and Empowerment

We hold financial and leadership empowerment workshops for our borrowers, as well as free health-checkup camps for the community, support for local government schools, plantation campaigns, flood relief assistance, and enterprise skill development training.

Focused on Well Being of Community

The Company undertakes variety of initiatives through its CSR activities for the benefit of many segments of society, with a particular emphasis on the marginalized, underprivileged, needy and disadvantaged.

PRINCIPLE 5

Essential Indicators

1 Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

	FY 2023			FY 2022		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	9,222	9,222	100%	10,736	10,736	100%
Other than permanent	811	811	100%	405	405	100%
Total Employees	**10,033**	**10,033**	**100%**	**11,141**	**11,141**	**100%**

2 Details of minimum wages paid to employees and workers, in the following format

Category	FY 2023					FY 2022				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% C / A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent	9,222	730	8%	8,492	92%	10,736	99	1%	10,637	99%
Male	8,950	685	8%	8,265	92%	10,399	86	1%	10,313	99%
Female	272	45	17%	227	83%	337	13	4%	324	96%
Other than Permanent	811	-	-	811	100%	405	-	-	405	100%
Male	778	-	-	778	100%	400	-	-	400	100%
Female	33	-	-	33	100%	5	-	-	5	100%

3 Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration / salary / wages of respective category (In Lakhs)	Number	Median remuneration/ salary/ wages of respective category (in Lakhs)
Board of Directors (BoD) Chairman cum Managing Director	1	154.71	-	-
Key Managerial Personnel (other than BoD)	3	77.53	-	-
Employees other than BoD and KMP	8,946	2.64	272	3.41

4 Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes. In all of its actions and dealings with all of its stakeholders, the Company is committed to being fair and objective. The Company's fabric is infused with justice and fairness to ensure procedural fairness, impartiality, and consistency in its operations. Customers should be treated fairly and transparently, according to the Company. The Company's Code of Conduct applies to all of the Company's employees' interactions with one another, as well as with customers, regulators, investors, and other government agencies.

5 Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Company has a dedicated Employee Grievance Redressal Helpdesk and a toll-free number by the name of 'Atoot Bandhan'. Through this help desk, we ensure that employee grievances are resolved faster within the specified turnaround time.

6 Number of Complaints on the following made by employees and workers:

	FY 2023			FY 2022		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	Nil	Nil	-	4	Nil	-
Discrimination at workplace	Nil	Nil	-	Nil	Nil	-
Child Labour	Nil	Nil	-	Nil	Nil	-
Forced Labour/Involuntary Labour	Nil	Nil	-	Nil	Nil	-
Wages	Nil	Nil	-	Nil	Nil	-
Other human rights related issues	Nil	Nil	-	Nil	Nil	-

7 Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases

The Company is dedicated to providing equal opportunities to all individuals and is intolerant of discrimination and harassment based on race, sex, nationality, ethnicity, origin, religion, age, disability, sexual orientation, gender identification and language as protected by applicable laws.

Our Company has a written policy in place to protect its employees against sexual harassment at work. The Company is in compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013, and on August 14, 2017 adopted a revised policy on Sexual Harassment (which is part of the Company's HR Manual) to prohibit, prevent, or deter any acts of sexual harassment at work.

8 Do human rights requirements form part of your business agreements and contracts? (Yes/No)

The Company expects all its business partners to adhere to all applicable regulations including human rights.

9 Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	The Company is in compliance with the laws, as applicable.
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

10 Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above

Not Recorded

Leadership Indicators

1 Details of a business process being modified / introduced as a result of addressing human rights grievances/ complaints.

There have been no significant human rights grievances/complaints warranting modification/introduction of business processes.

2 Details of the scope and coverage of any Human rights due-diligence conducted.

Data Not Applicable

3 Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes, the Company does not discriminate against any person with disability in any matterr related to employment as per the Right of Person with Disabilities Act, 2016. The corporate office of the Company has ramps for easy movement for specially abled people.

4 Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Child labour	The Company expects its value chain partners to adhere to the same values, principles and business ethics upheld by the organization in all their dealings. No specific assessment in respect of value chain partners has been carried out.
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

5 Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

No corrective actions pertaining to Question 4 was necessitated.

PRINCIPLE 6

Essential Indicators

1 **Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

Parameter	FY 2023	FY 2022
Total electricity consumption **(A)** (kWh)	5,22,805	4,33,338
Total fuel consumption **(B)** (kWH)	12,288	6,442
Energy consumption through other sources **(C)** (kWh)	97,256	1,09,302
Total energy consumption (A+B+C)	**6,32,349**	**5,49,082**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

No such assessment has been carried out.

2 **Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any**

Data Not Applicable

3

Parameter	FY 2023	FY 2022
(i) Surface water	-	-
(ii) Groundwater	-	-
(iii) Third party water (in kiloltr.)	4,775	3,852
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	**4,775**	**3,852**

The Company's usage of water is restricted to human use only. Efforts have been made to ensure that water is consumed judiciously in the office premises. In our corporate office, sensor taps are installed in office washrooms to economise on water consumption.

Sewage treatment plant, recycles 10 kiloliter water per day, which is reused for gardening and sanitation purposes.

4 **Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

No

5 **Please provide details of air emissions (other than GHG emissions) by the entity :** Data Not Applicable

6 **Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity.**

Data Not Applicable

7 **Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details**

Data Not Applicable

8 **Provide details related to waste management by the entity, in the following format:**

Parameter	FY 2023	FY 2022
Total Waste Generated (in kilogram)		
Plastic waste **(A)**	1,301	1,064
E-waste **(B)**	4,397	6,950
Other Non-hazardous waste generated **(C)**	9,651	8,802
Total (A+B + C)	**15,349**	**16,816**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

E-waste recycling is carried out by various e-waste vendors across all offices of the Company. For maintaining records of e-waste handled/generated, green certificates and disposal and recycling reports have been received by the Company.

9 **Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

The Company does not generate any hazardous waste.

10 **If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format**:

No

11 **Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year.**

Data Not Applicable

12 **Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances.**

Based on the nature of business, the Company is in compliance with applicable environmental norms.

Leadership Indicators

1 **Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:**

Parameter	FY 2023	FY 2022
From renewable sources (in kWh)		
Energy consumption through other sources **(A)**	97,256	1,09,302
Total energy consumption	**97,256**	**1,09,302**
From Non renewable sources (in kWh)		
Total electricity consumption **(B)**	5,22,805	4,33,338
Total fuel consumption **(C)**	12,288	6,442
Total energy consumption (B+C)	**5,35,093**	**4,39,780**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

No such assessment has been carried out.

2 **Provide the following details related to water discharged.**

Data Not Applicable

3 **Water withdrawal, consumption and discharge in areas of water stress (in kilolitres): For each facility / plant located in areas of water stress, provide the following information: (i) Name of the area (ii) Nature of operations (iii) Water withdrawal, consumption and discharge.**

Data Not Applicable

4 **Please provide details of total Scope 3 emissions & its intensity.**

Data Not Recorded

5 **With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.**

Data Not Applicable

6 **If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:**

S. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Going Paperless. Growing Sustainable.	We promote and encourage extensive use of technology in our everyday lives. Our aim is to significantly bring down the use of paper, contributing to a healthy environment. As a responsible organization, we are gradually adopting electronic document management and other digital tools to go paperless. We have continuously increased our usage of tablets for our fieldwork to onboard new clients and manage the end-to-end loan processing.	The Company's operations in around 80 percent branches has gone completely paperless.
2	Clean Energy Solution	Partnered with leading solar providers to facilitate access to solar powerdriven home lighting systems and enable customers to engage in productive activities Installed solar panels on the rooftop of our new corporate office building to harness solar power and reduce electricity consumption	Reduction of 27,781 tonnes of CO_2 emission & 4,63,500 households provided with green energy

7 **Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link**

Yes, the Company has a board approved Business Continuity Plan (BCP) in place. The BCP envisages the likely disruptive events, their probability and impact on business operations which is assessed through business impact analysis. These aim to eliminate or minimise any potential disruption to critical business operations.

8 **Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.**

Given the nature of the business, there has been no adverse impact to the environment.

9 **Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

Data Not Recorded

PRINCIPLE 7

Essential Indicators

1 a. **Number of affiliations with trade and industry chambers/ associations.**

The Company is member of 6 trade and industry associations.

b. **List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.**

S. No.	Description Name of the trade and industry chambers/ associations of Main Activity	Reach of trade and industry chambers/ associations (State/National)
1	Sa- Dhan	National
2	Microfinance Institutions Network (MFIN)	National
3	Association of Microfinance Institution – West Bengal (AMFI-WB)	State
4	Uttar Pradesh Microfinance Association (UPMA)	State
5	Association of Karnataka Microfinance	State
6	Odisha State Association of Financial Inclusion Institutions (OSAFII)	State

2 Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities

No such cases has been filed so far.

Leadership Indicators

1 Details of public policy positions advocated by the entity:

The Company maintains regular engagement with Government agencies and regulators and stands committed to providing timely and accurate information, suggestions and recommendations, feedback on draft policies, etc., as and when required. The authorized officials of the Company engage with the RBI and SEBI and other regulators on a periodic basis or as and when required. The Company is a member of various trade and industry associations and proactively contributes to the discussions and resolutions within the scope of these forums.

The CMD of the Company, Mr HP Singh, is associated with Sa-Dhan as Chairman and with FICCI as a member of the NBFC committee and has advocated several policies/regulations related to the microfinance industry.

PRINCIPLE 8

Essential Indicators

1 Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

In the year under reporting, the Company got an impact assessment of the business operations and its outcomes in the lives of the clients we serve by an external agency, 60_decibels. The impact assessment survey provided detailed results on our performance across the six dimensions of financial inclusion: Access, Business Impact, Household Impact, Client Protection, Resilience and Agency. Additionally, insights on client satisfaction, loan usage and challenges were provided that the Company finds actionable to improve its products and services.

2 Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity.

Data not applicable

3 Describe the mechanisms to receive and redress grievances of the community.

The Company has several channels for addressing the complaints of different stakeholders. Details of such mechanisms and policy is detailed elsewhere in this report.

4 **Percentage of input material (inputs to total inputs by value) sourced from suppliers.**

The Company conducts all its branch procurement from local business/suppliers.

Leadership Indicators

1 **Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments.**

Data not applicable

2 **Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies**

Refer to page 72 of this Annual Report

3 (a) **Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)**

Data Not Applicable

(b) **From which marginalized /vulnerable groups do you procure?**

Data Not Applicable

(c) **What percentage of total procurement (by value) does it constitute?**

Data Not Applicable

4 **Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge.**

Data Not Applicable

5 **Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.**

Data Not Applicable

6 **Details of beneficiaries of CSR Projects.**

Refer to page 52 of this Annual Report

PRINCIPLE 9

Essential Indicators

1 **Describe the mechanisms in place to receive and respond to consumer complaints and feedback**

The Company has developed the redressal mechanism to solve its customer' grievances/ complaints on the basis of priority. There are different methods through which customers can register their complaints with us:

1. Toll- free number.
2. Complaint section in the centre meeting register.
3. Complaint registers at branches and regional offices.
4. Direct escalation to the head office through office landline number, email id- clientgrievance@satincreditcare.com, surface mail to SCNL's Grievance Redressal Officer (GRO) based at the head office.

We maintain a proper log of complaints and ensure that they are shared with regional and head office level operations team. Internal audit team check ensures that the customer is verified to measure their satisfaction of service. Web Link: https://satincreditcare.com/wp-content/uploads/2023/04/18.-Client-Grievance-Redressal-Mechanism.pdf

2 **Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:**

	As a percentage to total turnover
Environmental and social parameters relevant to the product	94.69%

3 **Number of consumer complaints in respect of the following:**

	FY 23			FY 22		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	Nil	Nil	Nil	Nil	Nil	Nil
Advertising	Nil	Nil	Nil	Nil	Nil	Nil
Cyber-security	Nil	Nil	Nil	Nil	Nil	Nil
Other	7,528	55*	Nil	11,093	51*	Nil

*There are no consumer cases pending as on end of financial year.

4 **Details of instances of product recalls on account of safety issues.**

Data Not Applicable

5 **Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

Yes, the Company has a policy on cyber security and risks related to data privacy. The same is available on the intranet of the Company.

The organization is compliant with ISO 27001:2013 Information security management system.

6 **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

No penalties/regulatory action has been levied or taken on the above-mentioned parameters.

Leadership Indicator

1 **Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available)**

Information relating to various financial services provided by the organization is available on the Company's website: https://satincreditcare.com/product-portfolio/

2 **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

The customers are provided with adequate training during on-boarding and assistance to ensure appropriate usage of the loan products available to support various lifecycle needs. At the time of customer on-boarding, Compulsory group training is conducted over 2 days to educate customers on the responsible usage of various loan products. This is followed by a group recognition test and interaction with the branch manager to ensure customer understanding. Further, at the time of loan disbursement, the branch manager reiterates the importance of credit discipline and responsible usage of loan to the customers. Furthermore, the minutes book captures the deatils of every center meeting and in case of any deviations identified, corrective steps are taken to educate the customer.

3 **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

Not Applicable

4 Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/ Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Yes. The Company is in full compliance with the display requirements. All the terms and conditions related to the loan products are mentioned in our loan acknowledgement receipt and loan card. Details of different loan products and ticket sizes are also displayed in all our offices and uploaded on the Company's website as well. Loan card mention details about the rate of interest, loan tenure, repayment cycle and repayment instalement, processing fees, insurance and other terms and conditions for all loan products.

5 Provide the following information relating to data breaches:

a. Number of instances of data breaches along-with impact	Nil
b. Percentage of data breaches involving personally identifiable information of customer	The Company has not witnessed any instances of data breaches during the year.

Corporate Governance Report

1. CORPORATE GOVERNANCE PHILOSOPHY

Satin Creditcare Network Limited (the "**Company**" or "**SCNL**") puts a strong emphasis on corporate governance and ethically sound practices that build trust and transparency between our business and all stakeholders. We regard our stakeholders as invaluable partners in our journey and work to ensure their wellbeing, regardless of market or economic fluctuations. Our dedication to transparency and providing timely, precise data regarding our management and organizational structure has enhanced our reputation both domestically and abroad. This has enabled us to draw in the best people and resources to make our objectives, both short and long-term, into a workable business plan.

The Board of Directors (the "**Board**") is instrumental in developing the long-term vision and policy of our organisation to ensure the highest quality in governance and operations. We have a clear guideline and framework in place to guide decision-making and management practices, in order to become the leader in our industry and beyond. Your Company has an experienced and well informed Board that oversee the Company's corporate governance and ensures the Company meets its fiduciary responsibilities to its stakeholders. Best practices are followed to ensure sustainable, ethical leadership and good corporate citizenship. Your Company places a strong emphasis on corporate governance, cultivating sustainable growth from the top down, which is reflected in its sound financial system and strong market reputation. The Board strongly emphasizes on forming a talent base from around the nation, adhering to ethical business practices and ensuring that all of our actions are in line with protecting the environment through green technologies and practices.

Over the years, your Company has complied with the Companies Act, 2013 (**the "Act"**), SEBI Regulations, RBI Directions/ Circulars, IND-AS (Indian Accounting Standards), Secretarial Standards, etc., Strong governance practices have rewarded the Company in the sphere of valuations, stakeholders` confidence, market capitalization and good credit ratings in positive context apart from receiving of awards from appropriate authorities. Your Company makes all efforts to comply with such standards.

Your Company firmly believes that Corporate Governance is an ever-evolving journey, rather than a mere destination. This is an ongoing process, as your Company continues to strive for excellence in creating sustainable value. Your Company's efforts in this regard are reflected in this Report, where the Company has outlined multiple initiatives to sustain the highest standards of governance.

2. BOARD OF DIRECTORS

Keeping with the commitment to the Management, the principle of integrity and transparency in business operations for good corporate governance, the Company's policy is to have an appropriate blend of Independent and Non–Independent Directors to maintain the independence of the Board and to separate the Board functions of governance from Management of the Company.

(a) Composition and category of the Board of directors

The Company is managed and controlled through a professional body of Board of Directors, which comprises of an optimum combination of Executive and Non-Executive Directors. The strength of Board of Directors as on March 31, 2023 is 7 (Seven) out of which 5 (Five) are Independent Directors (including one Women Director) and 2 (Two) are Non-Independent Directors (including one Executive Promoter Director and one Non-Executive Promoter Director). The Company's Board consists of eminent persons with considerable professional expertise and experience. The Independent Directors do not have any pecuniary relationship or transactions with the Company, Promoters and Management, which may affect independence or judgement of the Directors in any manner.

The dates for the Board meetings are fixed after taking into account the convenience of all the Directors and sufficient notice, in terms of applicable laws, is given to all of them. All the agenda papers for the Board and Committee meetings are disseminated electronically on a real-time basis via e-mail to all the Directors at least seven days in advance from the date of Board Meeting and Committee Meetings. During the year under review, one meeting of the Board was convened with shorter notice as per the consent of all Board Members and all the Independent Directors were present in the meeting. At the Board meetings, the Executive Director(s) and Senior Management make presentations on various matters including the financial results, operations related issues, risk management, the economic and regulatory environment, compliance, investors' perceptions etc. The Company actively uses the facility of video conferencing permitted under Section 173(2) of the Act read with rules made thereunder, thereby saving resources – cost to the Company and valued time of the Directors. All the information required for decision making are incorporated in the agenda. The Board reviews the performance of the Company and sets the strategy for future. The Board takes on record the actions taken by the Company on all its decisions periodically. The minutes of the board meetings of the subsidiaries of the Company are placed in the board meetings of the Company on a quarterly/regular basis.

Furthermore, towards digitization, the Company has been using Board PAC Software, a paperless meeting solution that offers the highest standards of confidentiality and security for ease of Board members to access agenda documents properly through a web/ phone based application.

None of the Directors on the Board:

- holds directorships in more than ten public companies;
- serves as Director or as Independent Directors (ID) in more than seven listed entities; and
- who are the Executive Director(s) serves as IDs in more than three listed entities.

The composition of the Board of Directors of the Company is in conformity with the provisions of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter, "**SEBI Listing Regulations**") and the Act and also in terms of Guidelines as issued by Reserve Bank of India.

(b) Attendance of each director at the meeting of the board of directors and the last annual general meeting;

Name of the Director Secretary	DIN	Category	Designation	Director since	No. of Board meetings		Whether Attended the last AGM held on August 10, 2022	Total Number of other Directorship held**	Number of Directorship held in listed entity	Total no. of Chairmanship/ Membership of Board/ Committee^	
					Held	Attended				Chairman	Member
Mr. Harvinder Pal Singh	00333754	Promoter and Executive Director	Chairman cum Managing Director	October 16, 1990	7	5	Yes	2	-	-	2
Mr. Satvinder Singh	00332521	Promoter, Non-Executive and Non-Independent Director	Director	October 16, 1990	7	7	Yes	-	-	-	1
Mr. Sundeep Kumar Mehta	00840544	Non-Executive and Independent Director	Director	September 5, 2014	7	7	Yes	2	-	2	4
Mrs. Sangeeta Khorana	06674198	Non-Executive and Independent Director	Director	September 5, 2014	7	6	Yes	-	-	-	-
Mr. Goh Colin	06963178	Non-Executive and Independent Director	Director	November 12, 2014	7	7	Yes	-	-	-	1
Mr. Sanjay Kumar Bhatia	07033027	Non-Executive and Independent Director	Director	December 6, 2014	7	7	Yes	-	-	1	2
Mr. Anil Kumar Kalra	07361739	Non-Executive and Independent Director	Director	December 8, 2015	7	7	No	2	-	1	3
Mr. Christian Bernhard Ramm*	08096655	Non-Executive and Non-Independent Director	Nominee Director (Representing Abler Nordic AS formerly known as NMI Fund III KS)	May 30, 2020	6	4	Yes	1	-	-	-

Notes:

1. **Mr. Christian Bernhard Ramm has resigned from the Board w.e.f. March 1, 2023.*
2. ***The Directorships held by Directors as mentioned above, do not include Alternative Directorship, Directorships in Foreign Companies, Companies registered under Section 8 of the Act and Private Limited Companies.*
3. *^In terms of Regulation 26 of the SEBI Listing Regulations, Membership(s) / Chairmanship(s) of only the Audit Committee and Stakeholders Relationship Committee of all Public Limited Companies (including Company) have been considered.*
4. *None of the Director on the Board is a Director in any other listed entity.*

(c) Number and Dates of Board meetings

During the year under review, the Board met 7 (Seven) times on May 4, 2022, July 11, 2022, August 3, 2022, October 7, 2022, October 28, 2022, January 23, 2023 and March 27, 2023. The maximum gap between any two consecutive meetings was less than 120 (one hundred and twenty days), as stipulated under Section 173 of the Act, Regulation 17 of the SEBI Listing Regulations and Secretarial Standard - 1 as issued by the Institute of Company Secretaries of India (ICSI). As per applicable laws, minimum 4 (four) Board meetings are required to be held every year. The Company has convened additional Board meetings to address specific needs of the business. In case of any exigency/ emergency, resolutions are passed by circulation also. For the resolution to be approved through circulation, all the requisite inputs/ documents etc., are circulated over email which assists the Board to take informed decision. Further, the resolutions approved through circulation are taken on record by the Board in the next Board Meeting.

(d) Disclosure of relationship between Directors inter-se

Mr. Harvinder Pal Singh, Chairman cum Managing Director of the Company, is related with Mr. Satvinder Singh. Mr. Satvinder Singh is a Promoter, Non-Executive and Non-Independent Director and is brother of Mr. Harvinder Pal Singh. No other Directors are related to each other.

(e) Number of shares and convertible instruments held by non-executive directors as on March 31, 2023

Name	Category	Number of Equity shares held	Number of Convertible Instruments held
Mr. Satvinder Singh	Promoter, Non-Executive-Non Independent Director	3,85,703	-
Mr. Sanjay Kumar Bhatia	Non-Executive Independent Director	1,000	-

(f) Training and Familiarization for Independent Directors

The Independent Directors are familiarized about their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, legal updates, etc. In this regard, the Company follows a structured familiarization programme for the Independent Directors. The details of the familiarization programme of the Independent Directors are available on the website of the Company at https://satincreditcare.com/wp-content/uploads/2021/06/Details-of-Familiarization-Programme.pdf.

(g) Skills/expertise/competence of the Board of Directors

In the table below, the specific areas of focus or expertise of individual Board Members as on March 31, 2023 have been highlighted. However, the absence of a mark against a member's name does not necessarily mean the member does not possess the corresponding qualification or skill:

Name of Director	Area of expertise						
	Financial Business	Global	Leadership	Technology	Mergers & Acquisitions	Board service & Governance	Sales & Marketing
Mr. Harvinder Pal Singh	√	√	√	√	√	√	-
Mr. Satvinder Singh	√	√	√	√	√	√	√
Mr. Sundeep Kumar Mehta	√	√	√	√	√	√	-
Mrs. Sangeeta Khorana	√	√	√	√	√	√	-
Mr. Goh Colin	√	√	√	√	√	√	-
Mr. Sanjay Kumar Bhatia	√	√	√	√	√	√	-
Mr. Anil Kumar Kalra	√	√	√	√	√	√	-

(h) Confirmation regarding Independence of Independent Directors

In the opinion of the Board, Independent Directors fulfil the conditions of independence as specified in the Act & SEBI Listing Regulations, and are independent of the Management of the Company. The terms and conditions of appointment of independent directors are available on the website of the Company at www.satincreditcare.com.

(i) Independent Directors Meeting

In accordance with the requirement of Schedule IV of the Act and Regulation 25 of the SEBI Listing Regulations, during the year under review, one separate Meeting of the Independent Directors was held on March 27, 2023 to:-

- review the performance of non-independent directors and the Board as a whole;
- review the performance of the Chairperson of the Company, taking into account the views of executive and non-executive directors; and
- assess the quality, quantity and timeliness of flow of information between the Management of the Company and the Board that was necessary for the Board to effectively and reasonably perform their duties.

All the Independent Directors were present at the meeting.

(j) Detailed reasons for the resignation of an Independent Director

During the year under review, there is no change in Independent Directors of the Company.

(k) Performance Evaluation of Board Members

Pursuant to the provisions of Section 134(3)(p) of the Act, read with Regulations 17(10) and 25 of the SEBI Listing Regulations and relevant Schedules, the annual performance evaluation has been made of all individual Directors, the Board, Chairman of the Board and the working of mandatory committees of the Board in accordance with the guidelines prescribed under SEBI Guidance Note dated January 5, 2017.

The Company has devised a process and criteria for the performance evaluation, which has been recommended by the Board approved Nomination and Remuneration Policy, framed in terms of applicable provisions in this regard. The performance evaluation of the Board of Directors was carried out based on the detailed questionnaire containing criteria such as duties and responsibilities of the Board, information flow to the Board, time devoted to the meetings etc. Similarly, the Director's evaluation was carried out on the basis of questionnaire containing criteria such as level of participation by individual Directors, independent judgement by the Director, understanding of the Company's business etc.

The performance evaluation of the Board and its mandatory Committees were done by all the Directors and the respective members of the committee as the case may be. The performance evaluation of each Independent Director was carried out by the entire Board excluding the Independent Director being evaluated. The performance evaluation of the Chairman and Non-Executive Directors was carried out by the Independent Directors.

(l) Code of conduct

The Company has adopted the Code of conduct as per Regulation 17(5) of the SEBI Listing Regulations and is applicable to all its Board Members and Senior Management Personnel. Pursuant to Regulation 26(5) of the SEBI Listing Regulations, all members of Senior Management have confirmed that there are no material, financial and commercial transactions wherein they have a personal interest that may have a potential conflict with the interest of the Company at large. Pursuant to Regulation 26(3) of the SEBI Listing Regulations, all the Board members and Senior Management Personnel of the Company as on March 31, 2023 have affirmed compliance with their respective codes of conduct. A declaration signed by the Chairman cum Managing Director of the Company is published in this Report is enclosed as **Annexure - 1**.

The Copy of code of conduct is also available on the website of the Company on web link https://satincreditcare.com/wp-content/uploads/2018/06/Code-of-Conduct-for-Board-of-Directors-Senior-Managment.pdf.

3. COMMITTEES OF THE BOARD/MANAGEMENT

The Committees constituted by the Board focus on specific areas and take informed decisions within the framework of delegated authority and make specific recommendations to the Board on matters within their areas or purview. The decisions and recommendations of the Committees are placed before the Board for information or for approval, as required. The Committees operate as empowered agents of the Board as per their Charter/terms of reference. Targets set/actions directed by them as agreed with the Management are reviewed periodically and mid-course corrections are also carried out. The minutes of the meetings of all Committees of the Board are placed before the Board for discussions/noting.

There were no instance during the year, where the Board of Directors of the Company did not accept the recommendations of any of the Committees.

The composition and functioning of these Committees are in compliance with the applicable provisions of the Act, SEBI Listing Regulations and also in consonance with the

Corporate Governance Master Directions issued by the Reserve Bank of India as applicable to the Company.

As on March 31, 2023, the following Committees were in operation:

(A) Audit Committee;
(B) Risk Management Committee;
(C) Stakeholders Relationship Committee;
(D) Corporate Social Responsibility Committee;
(E) Nomination and Remuneration Committee;
(F) Asset Liability Management Committee;
(G) IT Strategy Committee; and
(H) Working Committee;

Details on the role and composition of these Committees, including the number of meetings held during the financial year and the related attendance, are provided below:

(A) AUDIT COMMITTEE

The Audit Committee of the Company has been constituted in line with the provisions of Regulation 18 of the SEBI Listing Regulations read with Section 177 of the Act and the RBI Master Direction - Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended from time to time.

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

a) Composition and Meetings

As on March 31, 2023, the Audit Committee comprised of 4 (four) Directors, out of which 3 (three) are Independent Directors and 1 (one) is Promoter, Non-Executive and Non-Independent Director. The Company Secretary and Compliance Officer of the Company, officiates as the Secretary to the Committee. All members of the Committee are financially literate and have relevant finance and/or audit exposure. Mr. Sanjay Kumar Bhatia, Chairman of the Committee is a qualified Chartered Accountant. The quorum of the Committee is two members or one-third of its members, whichever is higher with atleast two Independent Directors.

The composition of Audit Committee is also available on the website of the Company at https://satincreditcare.com/board-of-Directors/.

During the year under review, the Audit Committee met 5 (five) times on May 4, 2022, August 3, 2022, October 28, 2022, January 23, 2023 and March 14, 2023. The maximum gap between any two meetings was less than 120 days. Generally, the Chairman cum Managing Director, Statutory Auditors, Group Controller, Chief Financial Officer, Chief Audit Officer, Head-Accounts, Head-Finance and Head-Strategy of the Company, were invitees to the meetings of the Committee.

The composition of Audit Committee and details of meetings attended by its members are given below:

Name of the Member	Designation/ Category	Member of Committee since	No. of meetings		% of attendance
			Held	Attended	
Mr. Sanjay Kumar Bhatia	Chairman (Non-Executive & Independent Director)	November 14, 2018	5	5	100
Mr. Goh Colin	Member (Non-Executive & Independent Director)	November 13, 2020	5	5	100
Mr. Sundeep Kumar Mehta	Member (Non-Executive & Independent Director)	November 12, 2013	5	5	100
Mr. Satvinder Singh	Member (Promoter, Non-Executive & Non-Independent Director)	February 12, 2011	5	5	100

The Chairman of Audit Committee, Mr. Sanjay Kumar Bhatia attended the last Annual General Meeting held on August 10, 2022.

b) Terms of Reference

The terms of reference of this Committee are very wide and are in line with the regulatory requirements mandated by the Act and Part C of Schedule II of the SEBI Listing Regulations, as amended.

Terms of reference for the Audit Committee includes:

- Oversight of the financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to: (a) matters required to be included in the Directors' responsibility statement to be included in the Board's report in terms of clause (c) of sub-section (3) of section 134 of the Companies Act, 2013; (b) changes, if any, in accounting policies and practices and reasons for the same; (c) major accounting entries involving estimates based on the exercise of judgment by management; (d) significant adjustments made in the financial statements arising out of audit findings; (e) compliance with listing and other legal requirements relating to financial statements; (f) disclosure of any related party transaction; (g) modified opinion(s) in the draft audit report;
- Reviewing with the management, the quarterly financial statements before submission to the Board for approval;
- Reviewing with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the listed entity with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the listed entity, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the whistle blower mechanism;
- Approval of appointment of chief financial officer after assessing the qualifications, experience and background etc., of the candidate;
- To carry out any other function as is mentioned in the terms of reference of the audit committee, in terms of any other applicable guidelines or any other applicable law, as amended from time to time;
- Reviewing the utilization of loans and/ or advances from/investment by the holding Company in the subsidiary exceeding INR 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision;

- o Any other matters as delegated by the Board of Directors from time to time in terms of the applicable guidelines or any other applicable law, as amended from time to time;

The Audit Committee shall mandatorily review the following information:

a) Management discussion and analysis of financial condition and results of operations;

b) Management letters/ letters of internal control weaknesses issued by the statutory auditors;

c) Internal audit reports relating to internal control weaknesses;

d) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee; and

e) Statement of deviations:

- Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to Stock Exchange(s) in terms of Regulation 32(1).
- Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

(B) RISK MANAGEMENT COMMITTEE

The Risk Management Committee ("**RMC**") of the Company has been constituted in line with the provisions of RBI Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 read with Regulation 21 of the SEBI Listing Regulations, as amended.

The Company especially focuses on improving its sensitivity to the assessment of risks and improving methods of computation of risk. The functions of the RMC include monitoring and reviewing risk management plan, Operational risk, Credit risk, Integrity risk etc., and taking strategic actions in mitigating risk associated with the business.

a) Composition and Meetings

As on March 31, 2023, the RMC comprised of 3 (three) Directors, out of which 2 (two) are Independent Directors and 1 (one) is Promoter, Non-Executive and Non-Independent Director. The Company Secretary and Compliance Officer of the Company, officiates as the Secretary to the Committee. The quorum of the RMC is 3 (three) members.

The composition of the RMC is also available on the website of the Company at https://satincreditcare.com/board-of-Directors/.

During the year under review, the RMC met 4 (four) times on June 28, 2022, September 27, 2022, December 20, 2022 and March 14, 2023.

The composition of RMC and details of meetings attended by its members are given below:

Name of the Member	Designation/ Category	Member of Committee since	No. of meetings		% of attendance
			Held	Attended	
Mr. Anil Kumar Kalra	Chairman (Non-Executive & Independent Director)	May 8, 2019	4	4	100
Mr. Sundeep Kumar Mehta	Member (Non-Executive & Independent Director)	November 13, 2020	4	4	100
Mr. Satvinder Singh	Member (Promoter, Non-Executive & Non-Independent Director)	November 12, 2014	4	4	100

b) Terms of Reference

The terms of reference of the RMC are wide enough to cover the matters specified for RMC under Regulation 21 of SEBI Listing Regulations and in terms of RBI Master Directions.

Terms of reference for RMC includes:

- o Approve/ recommend to the Board for its approval/ review of the policies, strategies and associated frameworks for the management of risk;
- o Approve the risk appetite and any revisions to it;
- o Sub-delegate its powers and discretions to executives of the SCNL;
- o Ensure appropriate risk organisation structure with authority and responsibility clearly defined, adequate staffing, and the independence of Risk Management functions;
- o Provide appropriate and prompt reporting to the Board of Directors in order to fulfil

the oversight responsibilities of the Board of Directors;

- o Review reports from management concerning the SCNL's risk management framework (i.e. principles, policies, strategies, process and controls) and also discretions conferred on executive management, in order to oversee the effectiveness of them;
- o Review reports from management concerning changes in the factors relevant to the SCNL's projected strategy, business performance or capital adequacy;
- o Review reports from management concerning implications of new and emerging risks, legislative or regulatory initiatives and changes, organizational change and major initiatives, in order to monitor them;
- o Ensure adherence of the extant internal risk policy guidelines and also regulatory guidelines;
- o Review performance and set objectives for the SCNL's CRO and ensure he has unfettered access to the Board;
- o Oversee statutory/regulatory reporting requirements related to risk management;
- o Monitor and review capital adequacy computation with an understanding of methodology, systems and data;
- o Approve the stress testing results/analysis and monitor the action plans and corrective measures periodically; and
- o Monitor and review of non-compliance, limit breaches, audit/regulatory findings, and policy exceptions with respect to risk management.

(C) STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee ("**SRC**") of the Company has been constituted in line with the provisions of Section 178(5) of the Act read with Regulation 20 of the SEBI Listing Regulations. The purpose of the SRC is to resolve the grievances of the security holders.

a) Composition and Meetings

During the year under review, the SRC comprised of 3 (three) Directors, all of them are Independent Directors. The Company Secretary and Compliance Officer of the Company, officiates as the Secretary to the Committee. The quorum of the SRC is two members or one-third of its members, whichever is higher.

The composition of the SRC is also available on the website of the Company at https://satincreditcare.com/board-of-Directors/. Further, Grievances relating to Stakeholders/Investors may also be forwarded to the Company Secretary & Compliance Officer of the Company at secretarial@satincreditcare.com.

During the year under review, the SRC met 1 (one) time on March 14, 2023.

The composition of SRC and details of meetings attended by its members are given below:

Name of the Member	Designation/ Category	Member of Committee since	No. of meetings		% of attendance
			Held	Attended	
Mr. Sundeep Kumar Mehta	Chairman (Non-Executive & Independent Director)	February 9, 2015	1	1	100
Mr. Sanjay Kumar Bhatia	Member (Non-Executive & Independent Director)	February 9, 2015	1	1	100
Mr. Anil Kumar Kalra	Member (Non-Executive & Independent Director)	November 14, 2018	1	1	100

The Chairman of SRC, Mr. Sundeep Kumar Mehta attended the last Annual General Meeting held on August 10, 2022.

b) Terms of Reference

The terms of reference of the SRC are wide enough to cover the matters specified under Regulation 20 read with Part D of Schedule II of the SEBI Listing Regulations, as amended.

Terms of reference for SRC includes:

- o Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings etc;

- o Review of measures taken for effective exercise of voting rights by shareholders;
- o Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent; and
- o Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

Investors Complaints

During the year under review, the Company has received 4 complaints which were duly resolved within the period and no complaint is pending as on March 31, 2023.

(D) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee ("**CSR Committee**") of the Company has been constituted in accordance with the provisions of Section 135 of the Act and the rules made thereunder, with powers, inter alia, to make contributions to various corporate foundation or other reputed non-governmental organisation, of at least two percent of the Company's average net profit during the three immediately preceding financial years in pursuance of its Board approved Corporate Social Responsibility Policy ("**CSR Policy**") of the Company. The functions of the CSR Committee include formulation and monitoring of CSR Policy, recommending CSR Projects and budgets thereof, review of CSR initiatives undertaken/ to be undertaken by the Company and to do such other things as directed by the Board, and in compliance with the applicable laws.

The Company has also in place a CSR Policy as required under the provisions of Section 135 of the Act and rules made thereunder indicating therein the activities to be undertaken by the Company as specified in Schedule VII of the Act. The CSR Policy is uploaded on the Company's website with the link https://satincreditcare.com/wp-content/uploads/2021/03/CSR-Policy-Version-3-01.03.2021.pdf.

a) Composition and Meetings

As on March 31, 2023, the CSR Committee comprised of 3 (three) Directors, out of which 2 (two) are Independent Directors and 1 (one) is Promoter, Executive and Non-Independent Director of the Company. The Company Secretary and Compliance Officer of the Company, officiates as the Secretary to the Committee. The quorum of the CSR Committee is two members or one-third of its members, whichever is higher.

The Company has also appointed Ms. Aditi Singh as CSR – Nodal Officer.

The aforesaid composition of the CSR Committee is also available on the website of the Company at https://satincreditcare.com/board-of-Directors/.

During the year under review, CSR Committee met 1 (one) time on December 8, 2022.

The composition of CSR Committee and details of meetings attended by its members are given below:

Name of the Member	Designation/ Category	Member of Committee since	No. of meetings		% of attendance
			Held	Attended	
Mr. Harvinder Pal Singh	Chairman (Promoter, Executive & Non- Independent Director)	May 26, 2014	1	1	100
Mr. Goh Colin	Member (Non-Executive & Independent Director)	November 14, 2018	1	1	100
Mrs. Sangeeta Khorana	Member (Non-Executive & Independent Director)	May 26, 2014	1	1	100

The Chairman of the CSR Committee, Mr. Harvinder Pal Singh attended the last Annual General Meeting held on August 10, 2022.

b) Terms of Reference

The terms of reference of the CSR Committee are wide enough to cover the matters specified under Section 135(3) of the Act.

Terms of reference for CSR includes:

- o formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company in area or subject, specified in Schedule VII;

- recommend the amount of expenditure to be incurred on the activities referred to in above clause; and
- monitor the Corporate Social Responsibility Policy of the Company from time to time.

(E) NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee ("**NRC**") of the Company has been constituted in line with the provisions of Section 178 of the Act, read with Regulation 19 of the SEBI Listing Regulations and the RBI Master Direction - Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended from time to time.

The NRC identifies and recommend persons who are qualified to become directors or appointed as part of Senior Management and also ensures/determines fit and proper attributes/qualifications of proposed/ existing Directors.

The NRC under the guidance of the Board has formulated the criteria and framework for the performance evaluation of every Director on the Board, including the Executive and Independent Directors.

a) Composition and Meetings

As on March 31, 2023, the NRC comprised of 5 (five) Directors, out of which 4 (four) are Independent Directors and 1 (one) is Promoter, Executive and Non-Independent Director. The Company Secretary and Compliance Officer of the Company, officiates as the Secretary to the Committee. The quorum of the NRC is two members or one-third of its members, whichever is higher with atleast one independent Director.

The composition of NRC is also available on the website of the Company at https://satincreditcare.com/board-of-Directors/.

During the year under review, the NRC met 4 (four) times on May 3, 2022, July 11, 2022, October 7, 2022 and March 27, 2023.

The composition of NRC and details of meetings attended by its members are given below:

Name of the Member	Designation/ Category	Member of Committee since	No. of meetings		% of attendance
			Held	Attended	
Mr. Sundeep Kumar Mehta	Chairman (Non-Executive & Independent Director)	May 26, 2014	4	4	100
Mr. Harvinder Pal Singh	Member (Promoter, Executive & Non-Independent Director)	November 12, 2014	4	2	50
Mr. Sanjay Kumar Bhatia	Member (Non-Executive & Independent Director)	November 13, 2020	4	4	100
Mr. Goh Colin	Member (Non-Executive & Independent Director)	October 29, 2021	4	4	100
Mrs. Sangeeta Khorana	Member (Non-Executive & Independent Director)	November 12, 2014	4	3	75
Mr. Christian Bernhard Ramm*	Member (Non-Executive and Nominee Director)	November 13, 2020	3	3	100

*Resigned w.e.f. March 1, 2023

The Chairman of NRC, Mr. Sundeep Kumar Mehta attended the last Annual General Meeting held on August 10, 2022.

b) Terms of Reference

The terms of reference of NRC are wide enough to cover the matters specified under Regulation 19(4) read with Part D of Schedule II of the SEBI Listing Regulations, as amended.

Terms of reference for NRC includes:

- Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance;

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

POLICY LAID DOWN BY THE NOMINATION AND REMUNERATION COMMITTEE FOR REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL, SENIOR MANAGEMENT & OTHER EMPLOYEES AND THE CRITERIA FORMULATED BY THE COMMITTEE FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES, INDEPENDENCE OF DIRECTOR

Pursuant to Section 178 of the Act read with Rule 6 of the Companies (Meeting of Board and its Powers) Rules, 2014, as amended, the Board of Directors of the Company has in place the Policy on Nomination & Remuneration for Directors, Key Managerial Personal (KMP), Senior Management and other Employees.

The said policy also includes the Board Diversity policy which was framed under the applicable provisions of SEBI Listing Regulations.

The policy is also available on the website of the Company at https://satincreditcare.com/wp-content/uploads/2023/05/9.-Nomination-and-Remuneration-Policy.pdf

(F) ASSET LIABILITY MANAGEMENT COMMITTEE

The Asset Liability Management Committee ("**ALM Committee**") of the Company has been constituted in accordance with RBI Master Direction - Non- Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

The functions of the ALM Committee include addressing concerns regarding asset liability mismatches, interest rate risk exposure, and achieving optimal return on capital employed while maintaining acceptable levels of risk including and relating to liquidity, market and operational aspects and adhering to the relevant policies and regulation.

(a) Composition and Meetings

As on March 31, 2023, the ALM Committee comprised of 6 (six) Members out of which 1 (one) is Promoter, Executive and Non-Independent Director and 5 (five) are other officials of the Company. The Company Secretary and Compliance Officer of the Company, officiates as the Secretary to the Committee. The quorum of the ALM Committee is 3 (three) members.

During the year under review, the ALM Committee met 4 (four) times on May 5, 2022, August 8, 2022, November 8, 2022 and February 8, 2023.

The composition of ALM Committee and details of meetings attended by its members are given below:

Name of the Member	Designation/ Category	Member of Committee since	No. of meetings		% of attendance
			Held	Attended	
Mr. Harvinder Pal Singh	Chairman (Promoter, Executive & Non-Independent Director)	August 12, 2010	4	4	100
Mr. Jugal Kataria	Member (Group Controller)	August 12, 2010	4	4	100
Mr. Rakesh Sachdeva	Member (Chief Financial Officer)	December 13, 2020	4	4	100
Mr. Amit Kumar Gupta	Member (Head-Accounts)	August 12, 2010	4	4	100
Mr. Dhiraj Jha	Member (Chief Risk Officer)	May 4, 2022	4	2	50
Mr. Manish Kumar Mittal	Member (Head-Finance)	October 29, 2021	4	4	100

(G) IT STRATEGY COMMITTEE

The IT Strategy Committee of the Company has been constituted in terms of "Master Direction - Information Technology Framework for NBFC Sector" issued by RBI on June 8, 2017. The function of the Committee is to review and amend the IT strategies in line with the corporate strategies, cyber security arrangements and any other matter related to IT Governance and ensure IT investments represent a balance of risks and benefits and that budgets are acceptable and carry out any other function in terms of any other applicable guidelines or in any other applicable law.

(a) Composition and Meetings

As on March 31, 2023, the Committee comprised of 5 (five) Members out of which 1 (one) is Promoter, Executive and Non-Independent Director, 1 (one) is Independent Director and other 3 (three) are officials of the Company. The Company Secretary and Compliance Officer of the Company, officiates as the Secretary to the Committee. The quorum of the Committee is one half of total strength with mandatorily presence of Chairman of the Committee who shall be an Independent Director.

During the year under review, the Committee met 2 (two) times on July 22, 2022 and January 12, 2023.

The composition of IT Strategy Committee and details of meetings attended by its members are given below:

Name of the Member	Designation/Category	Member of Committee since	No. of meetings		% of attendance
			Held	Attended	
Mr. Anil Kumar Kalra	Chairman (Non-Executive & Independent Director)	November 13, 2020	2	2	100
Mr. Harvinder Pal Singh	Member (Promoter, Executive & Non-Independent Director)	May 30, 2018	2	1	50
Mr. Christian Bernhard Ramm*	Member (Non-Executive and Nominee Director)	November 13, 2020	2	1	50
Mr. Jugal Kataria	Member (Group Controller)	May 30, 2018	2	1	50
Mr. Rakesh Sachdeva	Member (Chief Financial Officer)	February 12, 2021	2	1	50
Mr. Sunil Yadav	Member (Head-IT)	February 1, 2022	2	2	100

* Resigned w.e.f. March 1, 2023

(H) WORKING COMMITTEE

The Working Committee of the Company broadly consider, review and approve routine matters of the Company which includes but not limited to evaluation and approval of various proposals for borrowings, issue of securities and investments etc. in ordinary course of business within the limits authorised by the Board/Shareholders. Moreover, the Committee also consider and approve various banking operations for smooth functioning and other general purposes of the Company as may be authorised/delegated by the Board from time to time.

The Committee comprised of 6 (six) Members, out of which 1 (one) is Promoter, Executive and Non-Independent Director, 1 (one) is Promoter, Non-Executive and Non-Independent Director and 4 (four) are other officials of the Company.

During the year under review, the Committee met 42 (forty-two) times.

The Working Committee of the Company has been constituted in line with the provisions of Section 179(3) of the Act.

4. REMUNERATION PAID TO DIRECTORS

As per the Company's Policy on Nomination & Remuneration for Directors, Key Managerial Personnel, Senior Management and other Employees, Remuneration to Executive (Non-Independent Director) shall be paid in terms of Act, and other applicable laws. The Managing Director/Whole Time Director shall be eligible for monthly remuneration as may be approved by the Board on the recommendation of the Committee.

The remuneration paid to Executive Director is commensurate with his roles and responsibilities. Remuneration paid to Executive Director, subject to limits prescribed under Part II, Section I of Schedule V to the Act, and consists of fixed salary, perquisites including employer's contribution to P.F., pension scheme, medical expenses etc. shall be decided by the Board on the recommendation of the Committee and approved by the Shareholders and Central Government, wherever required.

The disclosure in respect of remuneration paid/payable to Managing Director/Whole Time Director of the Company for the financial year 2022-23 is given below:

Particulars	Mr. Harvinder Pal Singh, Chairman cum Managing Director (Amount in INR)
Salary	1,19,93,400
Provident Fund	14,39,208
Gratuity	0
Leave Encashment	0
Approximate value of perquisites	20,38,500
Total	**1,54,71,108**
Present period of agreement for remuneration	October 1, 2020 to September 30, 2025
Present period of agreement of appointment	October 1, 2020 to September 30, 2025

Considering the time and efforts made by the Non-Executive Directors, it is necessary that appropriate sitting fees are paid to the Non-Executive Directors for attending the meetings of the Board and its Committees.

During the year under review, the Company is paying only the sitting fees to all the Non-Executive Directors (excluding Nominee Director) within the ceiling of INR 1,00,000 per meeting as prescribed under the Act, and the rules made thereunder. The structure for payment of sitting fees for attending Board and Committee Meetings is as follows:

Sl. No	Type of Meeting	Sitting Fees
1	Board	INR 30,000 (Indian Rupees Thirty Thousand) per meeting
2	Audit Committee and Risk Management Committee	INR 25,000 (Indian Rupees Twenty Five Thousand) per meeting
3	Other Statutory Committee(s)	INR 20,000 (Indian Rupees Twenty Thousand) per meeting

Detail of payments made to Non-Executive Directors towards sitting fees during the financial year 2022-23 is as under:

(Amount in INR)

Sl. No	Name of Non-Executive Directors (Other than Investor's nominees)	Sitting Fees (FY 2022-23)		Total
		Board Meeting	Committee Meeting	
1	Mr. Sundeep Kumar Mehta	2,10,000	3,45,000	5,55,000
2	Mr. Satvinder Singh	2,10,000	2,25,000	4,35,000
3	Mr. Anil Kumar Kalra	2,10,000	1,80,000	3,90,000
4	Mr. Goh Colin	2,10,000	2,45,000	4,55,000
5	Mrs. Sangeeta Khorana	1,80,000	1,00,000	2,80,000
6	Mr. Sanjay Kumar Bhatia	2,10,000	2,45,000	4,55,000
	Total	**12,30,000**	**13,40,000**	**25,70,000**

In addition, the Non-Executive Directors will be paid travelling expenses including air fare, hotel stay and car on rental basis for attending the meetings of the Board/Committee and such other expenses as are incurred, if any by the Non-Executive Directors and allowed to be reimbursed as per the applicable provisions of the Act. There was no pecuniary relationship or transactions of the Non-Executive Directors vis-a-vis the Company during the Financial Year ended March 31, 2023 other than those disclosed in the Financial Statements. Also, none of Directors of the Company except Mr. Harvinder Pal Singh, Chairman cum Managing Director is taking remuneration as approved by Board/Shareholders of the Company.

Furthermore, none of the Non-Executive Directors of the Company is taking any salary, benefit, bonuses, stock options & pension from the Company. The Company pays only sitting fee for attending the Board or Committee meetings and there is no fixed component and performance linked incentives involved therein, also the Company has not signed any service contracts, notice period or severance fees contract with any of the Directors.

5. GENERAL MEETINGS

The details of the Annual General Meeting held in the last three years are as follows:

Annual General Meetings (AGMs):

Year	Location	Date	Time	Whether any Special Resolution(s) passed
2021-22	Meeting conducted through VC / OAVM pursuant to the MCA Circulars	August 10, 2022	11:00 A.M.	1. Issue of Non-Convertible Debentures (NCDs), in one or more series/tranches on Private Placement basis
2020-21	Meeting conducted through VC / OAVM pursuant to the MCA Circulars	August 11, 2021	11:00 A.M.	1. Issue of Non-Convertible Debentures (NCDs), in one or more series/tranches on Private Placement basis. 2. Provision of money by the Company for Purchase / Subscription made or to be made of its own shares by the Trust / Trustees for the benefit of employees under Satin Employees Stock Option Scheme – 2017
2019-20	Meeting conducted through VC / OAVM pursuant to the MCA Circulars	August 5, 2020	10:30 A.M.	1. Issue of Non-Convertible Debentures (NCDs), in one or more series/tranches on private placement basis. 2. Re-appointment of Mr Anil Kumar Kalra (DIN:07361739) as an Independent Director of the Company

All resolutions moved at the last AGM were passed by means of electronic voting only by the requisite majority of members.

POSTAL BALLOT

Special Resolutions passed through Postal Ballot in Financial Year 2022-23: None

6. SHAREHOLDERS' COMMUNICATION

The Board recognises the importance of two-way communication with shareholders and giving a balanced report of results and progress and responding to questions and issues raised in a timely and consistent manner. The Company has its website (www.satincreditcare.com) that contains required information for the shareholders.

Means of Communication

Quarterly results and other relevant information: The quarterly financial results are regularly submitted to the Stock Exchanges and are generally published in Business Standard in compliance with Listing Regulations and are also displayed along with other relevant information viz., notices, shareholder communications, policies, Director's profile, Annual Report, other official news etc. on its website i.e. www.satincreditcare.com.

News releases, presentations, among others: Official news releases, corporate presentations, press release and official media releases are sent to Stock Exchanges regularly and also available on website of the Company.

Website: The Company`s website www.satincreditcare.com contains a separate section 'INVESTOR RELATIONS' for use of investors. The quarterly, half yearly and annual financial results and official news releases are promptly and prominently displayed on the website. Annual Reports, Shareholding Patterns and other Corporate Communications made to the Stock Exchanges are also available on the website.

Communication to shareholders on email: In support of the "Green Initiative" undertaken by the Ministry of Corporate Affairs, the Company had during FY 2022-23 sent various communications including documents like Notices and Annual Report to the members at their email address, as registered with their Depository Participants/ Company/ Registrar & Transfer Agents (RTA). This helps in prompt delivery of document, reduce paper consumption, save trees and avoid loss of documents in transit.

The Company proposes to send documents like shareholders meeting notice/other notices, audited financial statements, Directors' report, Auditor's report or any other document, to its members in electronic form at the email address provided by them and/or made available to the Company by their depositories. We would greatly appreciate and encourage more Members to register their email address with their Depository Participant or the Registrar & Transfer Agent of the Company, to receive soft copies of the Annual Reports, Postal Ballot Notices and other information disseminated by the Company, on a real-time basis without any delay.

7. GENERAL SHAREHOLDER INFORMATION

(a) Company Registration Details:

The Company is registered in New Delhi, India. The Corporate Identification Number (CIN) allotted by the Ministry of Corporate Affairs is L65991DL1990PLC041796. The Company being Systemically Important Non-Deposit taking NBFC is registered with Reserve Bank of India as NBFC-MFI.

(b) Ensuing Annual General Meeting (AGM):

Date and Time	August 9, 2023 at 11:00 A.M (IST).
Venue	Meeting is being conducted through VC/OAVM pursuant to the MCA Circular dated May 5, 2020 read with circulars dated April 8, 2020, April 13, 2020, January 13, 2021, December 8, 2021, December 14, 2021, May 5, 2022 and December 28, 2022, and as such there is no requirement to have a venue for the AGM.

c) Financial Year: April 1, 2022 to March 31, 2023

(d) Dividend payment:

In order to undertake and carry on future plans, it is necessary to conserve the resources. Your Directors are of the opinion of retaining the profits for the year within the Company and thus, have not recommended any dividend on Equity Shares for the financial year ended March 31, 2023.

(e) Listing of Shares:

As on March 31, 2023, the Company has issued fully paid-up Equity Shares which are listed on BSE Limited and National Stock Exchange of India Limited. The Annual Listing fees has been paid to the respective Stock Exchanges.

Stock Exchanges	ISIN	Stock Code / Symbol
National Stock Exchange of India Limited ('NSE') Exchange Plaza, C-1, Block-G, Bandra-Kurla Complex, Bandra East, Mumbai – 400051, Maharashtra, India	INE836B01017	SATIN
BSE Limited ('BSE') 25th Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001, Maharashtra, India	INE836B01017	539404

Non-Convertible Debentures (NCDs) outstanding as on March 31, 2023 are as follows:

Sl. No.	Name/Details of Trustee	ISIN	No. of Debentures	Principal outstanding Amount (In INR)
1	**CATALYST TRUSTEESHIP LIMITED** Windsor, 6th Floor, office No. 604, C.S.T Road, Kalina, Santacruz (East), Mumbai-400098	INE836B07451	200	50,00,00,000
		INE836B08277	100	10,76,19,308
		INE836B08269	100	76,19,308
		INE836B08251	100	38,79,582
		INE836B07469	250	25,00,00,000
		INE836B07477	250	8,33,33,332
		INE836B08160	350	35,00,00,000
		INE836B07444	250	25,00,00,000
		INE836B07402	2,130	60,85,71,428
		INE836B07436	1,200	30,00,00,000
		INE836B08202	300	30,00,00,000
		INE836B08210	10,010	50,05,00,000
		INE836B07659	680	68,00,00,000
		INE836B07550	600	60,00,00,000
		INE836B07584	9,750	48,75,00,000
		INE836B07592	18,750	187,50,00,000
		INE836B07618	970	97,00,00,000
		INE836B07626	373	37,30,00,000
		INE836B08236	570	57,00,00,000
		INE836B07634	750	75,00,00,000
		INE836B07642	300	30,00,00,000
		INE836B07667	19,250	96,25,00,000
		INE836B07675	650	65,00,00,000
		INE836B07683	2,500	25,00,00,000
		INE836B07691	2,060	20,60,00,000
		INE836B07709	7,840	78,40,00,000

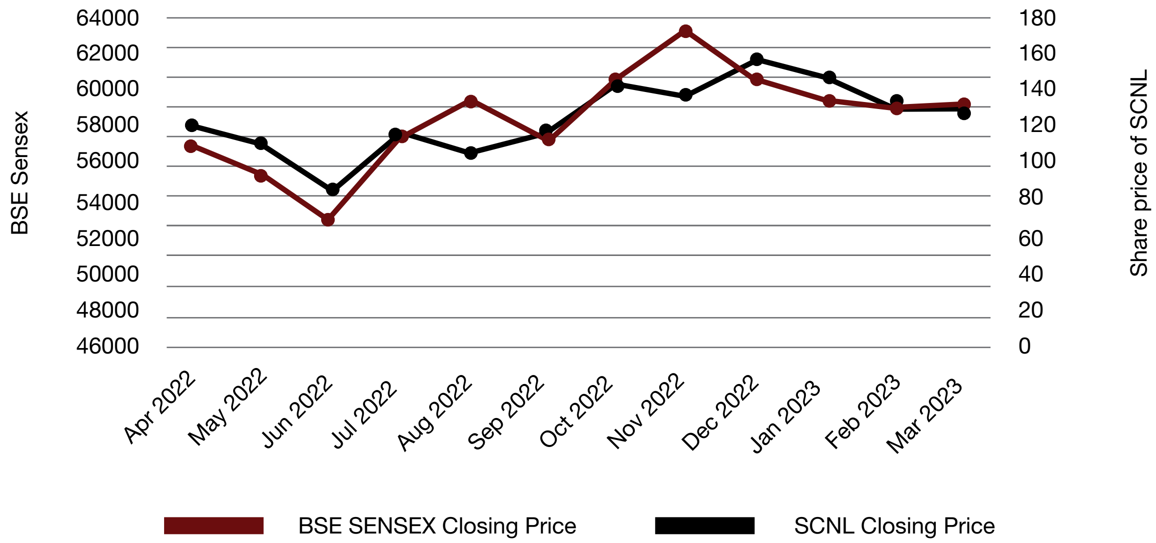
(f) Market Price Data– High, Low (based on daily closing price) and volume (no. of shares traded) during each month in the Financial Year 2022-23 of Equity Shares of the Company, on BSE and NSE:

Month	BSE Limited (BSE)			National Stock Exchange of India Limited (NSE)		
	High	Low	Total number of equity shares traded	High	Low	Total number of equity shares traded
Apr-22	133.00	102.00	5,62,803	133.90	102.10	51,58,619
May-22	125.30	100.00	3,06,926	128.60	100.30	32,89,752
Jun-22	115.60	85.20	2,38,002	117.90	85.00	29,13,826
Jul-22	117.75	85.00	3,18,404	120.00	84.90	27,95,335
Aug-22	119.75	102.45	2,48,993	119.85	102.40	25,96,325
Sep-22	143.95	108.00	4,39,739	144.00	108.15	48,36,053
Oct-22	162.50	113.00	6,14,705	162.75	112.60	52,18,008
Nov-22	151.95	123.30	5,28,981	152.65	122.70	38,96,810
Dec-22	174.90	136.10	5,70,683	173.40	136.00	56,34,806
Jan-23	166.00	137.50	4,08,636	166.00	136.85	32,52,370
Feb-23	151.50	127.30	2,36,471	152.00	127.30	16,03,368
Mar-23	138.10	116.25	1,17,513	139.00	114.25	13,20,843

(g) Performance in comparison to broad-based indices such as BSE Sensex, NSE Nifty etc.

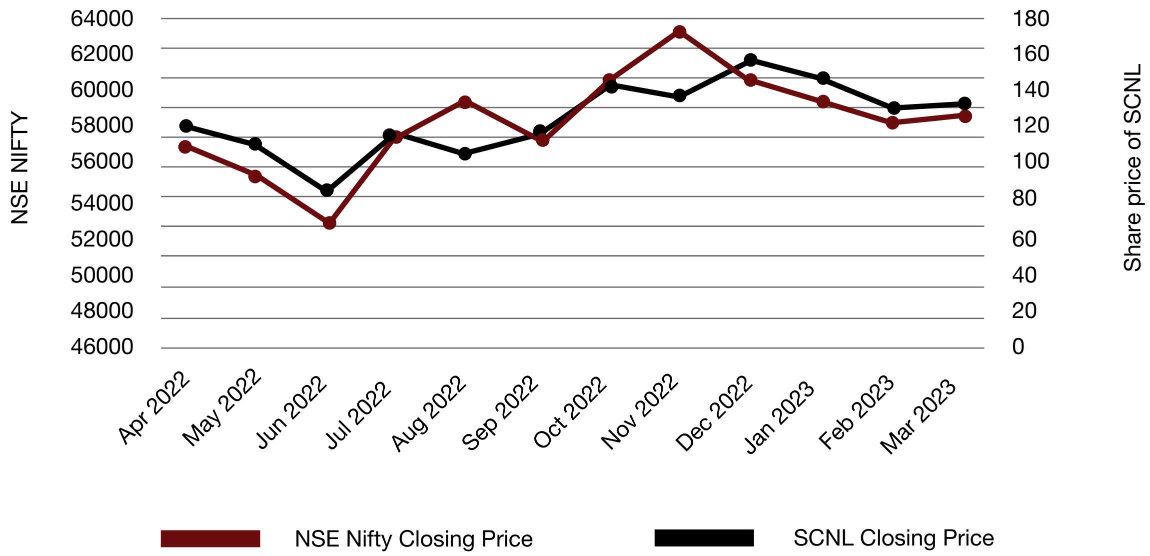
Performance in comparison to BSE Sensex
(Closing Value of Satin's share price v/s BSE Sensex)

SCNL'S SHARE PERFROMANCE V/S BSE SENSEX



Performance in comparison to NSE Nifty
(Closing Value of Satin's share price v/s NSE Nifty)

SCNL'S SHARE PERFROMANCE V/S NSE NIFTY



(h) In case the securities are suspended from trading during the Financial Year 2022-23:

Not Applicable

(i) Registrar & Share Transfer Agents:

Sl. No.	Name of Security	Registrar & Transfer Agent
1	Equity Shares	**Link Intime India Private Limited** Noble Heights, 1st Floor, Plot NH 2, C-1 Block LSC, Near Savitri Market, Janakpuri, New Delhi - 110058
2	Non-Convertible Debentures and Commercial papers	**KFin Technologies Limited** (formerly known as KFin Technologies Private Limited) Selenium Tower-B, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad-500032, Telangana

(j) Share transfer system:

Stakeholders Relationship Committee is authorised to approve transfer of shares. The dematerialised shares are transferred directly to the beneficiaries by the depositories. Trading in equity shares of the Company is permitted only in dematerialised form. SEBI has mandated that securities of listed companies can be transferred only in dematerialised form effective from April 1, 2019. Accordingly, the Company/ its Registrar and Transfer Agent have stopped accepting any fresh lodgement for transfer of shares in physical form. Members holding shares in physical form are advised to avail of the facility of dematerialisation.

(k) Shareholding Pattern/Distribution of shareholding as on March 31, 2023:

Sl. No.	Category of Shareholder	Shareholding	% of Holding
A	**Promoter & Promoter Group**	3,36,24,299	39.45
B	**Public Shareholding**		
B1	Mutual Fund	26,45,910	3.10
B2	Foreign Portfolio Investor	48,33,427	5.67
B3	Banks / NBFCs	27,94,679	3.28
B4	Foreign Bank	15,43,187	1.81
B5	Non-Institutions	3,92,99,677	46.12
C	**Non Promoter- Non Public shareholding**		
C1	Shares Held By Employee Trust	4,82,946	0.57
	Total	**8,52,24,125**	**100.00**

Distribution of Shareholding based on Shares held as on March 31, 2023

Sl. No.	Share Range	Number of Shareholders	% of total Shareholders	Total Shares for the Range	% of Issued Capital
1	1 to 500	14,017	84.10	14,15,904	1.66
2	501 to 1000	1,077	6.47	8,75,001	1.03
3	1001 to 2000	709	4.25	10,41,230	1.22
4	2001 to 3000	249	1.49	6,27,256	0.74
5	3001 to 4000	114	0.68	4,06,444	0.48
6	4001 to 5000	92	0.55	4,27,982	0.50
7	5001 to 10000	192	1.15	13,96,837	1.64
8	10001 and above	217	1.31	7,90,33,471	92.73
	Total	**16,667**	**100.00**	**8,52,24,125**	**100.00**

(l) Dematerialization of Shares and Liquidity:

Equity Shares of the Company are traded under compulsory dematerialized mode and are available for trading under both the depositories i.e. NSDL and CDSL. The International Securities Identification Number (ISIN) allotted to the Company's shares is INE836B01017.

As on March 31, 2023, 99.82% of the Equity Shares of the Company representing 8,50,66,682 out of a total of 8,52,24,125 Equity Shares were held in dematerialized form and balance 1,57,443 Equity Shares representing 0.18% of the total equity capital of the Company were held in physical form.

The equity shares of the Company are frequently traded on both BSE and NSE.

(m) Outstanding GDRs/ADRs/Warrants or any Convertible instruments:

During the financial year 2021-22, the Company had issued and allotted Fully Convertible Warrants ("**Warrants**") to entities belonging to promoter group and non-promoter group at an aggregate amount of INR 19,999.99 Lakhs at an issue price of INR 81.25 on January 25, 2022. Further, out of entire consideration payable towards Warrants i.e. INR 19,999.99 Lakhs, the Company had received INR 4,999.99 Lakhs i.e., 25% of issue price before allotment of Warrants.

During the year under review, the Company had received INR 3,718.75 Lakhs against conversion of 61,02,564 Warrants from entity belonging to promoter group and INR 2,499.99 Lakhs against conversion of 41,02,564 from entity belonging to non-promoter group. Balance amount shall be infused within 18 months from the date of allotment i.e. January 25, 2022 at the time of conversion of balance Warrants.

The Company does not have any outstanding Global Depository Receipt or American Depository Receipt or any other convertible instruments.

(n) Company is in the business of Non-Banking Finance Company (Micro Finance Industry), hence no plant information can be provided as such.

(o) Address for correspondence:

Corporate Office: Plot No. 492, Udyog Vihar, Phase – III, Gurugram, Haryana - 122016, India.

Registered Office: 5th Floor, Kundan Bhawan, Azadpur Commercial Complex, Azadpur, New Delhi-110033, India.

(p) List of all credit ratings obtained by the Company during the financial year 2022-23 are as follows:

Sl. No.	Particulars	Amount (INR in Lakhs)	Credit rating agency	Rating as on March 31, 2023
1	Commercial Paper	20,000	ICRA Limited	ICRA A1
2	Subordinate Debt	10,000	ICRA Limited	ICRA A- (Negative)
3	Long-term/short-term fund-based term bank facilities programme	2,50,000	ICRA Limited	ICRA A- (Negative)/ICRA A1
4	Long-term fund-based term loan facilities programme	4,000	ICRA Limited	ICRA A (CE); Stable
5	Non-Convertible Debentures	2,500	ICRA Limited	ICRA A- (Negative)
6	Non-Convertible Debentures	5,000	ICRA Limited	ICRA A- (Negative)
7	Non-Convertible Debentures	5,000	Credit Analysis & Research Ltd	CARE BBB+; Stable
8	Non-Convertible Debentures	2,628	Credit Analysis & Research Ltd	CARE BBB+; Stable
9	Non-Convertible Debentures	6,800	Credit Analysis & Research Ltd	CARE BBB+; Stable
10	Non-Convertible Debentures	6,500	Credit Analysis & Research Ltd	CARE BBB+; Stable
11	Non-Convertible Debentures	6,000	Credit Analysis & Research Ltd	CARE BBB+; Stable
12	Non-Convertible Debentures	33,420	Credit Analysis & Research Ltd	CARE BBB+; Stable
13	Non-Convertible Debentures	3,870	Credit Analysis & Research Ltd	CARE BBB+; Stable
14	Non-Convertible Debentures	12,000	Credit Analysis & Research Ltd	CARE BBB+; Stable
15	Non-Convertible Debentures	5,005	Credit Analysis & Research Ltd	CARE BBB+; Stable
16	Non-Convertible Debentures	20,000	Credit Analysis & Research Ltd	CARE BBB+; Stable
17	Non-Convertible Debentures	30,000	Credit Analysis & Research Ltd	CARE BBB+; Stable
18	Non-Convertible Debentures	21,762	Credit Analysis & Research Ltd	CARE BBB+; Stable
19	Non-Convertible Debentures	30,000	Credit Analysis & Research Ltd	CARE BBB+; Stable
20	Subordinated Debt	3,000	Credit Analysis & Research Ltd	CARE BBB+; Stable
21	Securitisation	2,828.20	ICRA Limited	Provisional [ICRA]AA-(SO)
22	Securitisation	7,859.78	ICRA Limited	Provisional [ICRA]AA-(SO)
23	Securitisation	7,700.59	ICRA Limited	Provisional [ICRA]AA-(SO)
24	Securitisation	10,175.37	ICRA Limited	Provisional [ICRA]AA(SO)

Sl. No.	Particulars	Amount (INR in Lakhs)	Credit rating agency	Rating as on March 31, 2023
25	Securitisation	2,001.48	ICRA Limited	Provisional [ICRA]A+(SO)
26	Securitisation	7,020.73	ICRA Limited	Provisional [ICRA]A+(SO)
27	Securitisation	3,554.03	ICRA Limited	[ICRA]A+(SO)
28	Securitisation	7,879.84	ICRA Limited	[ICRA] AA (SO)
29	Securitisation	7,721.07	ICRA Limited	[ICRA] AA (SO)
30	Securitisation	8,322.86	Credit Analysis & Research Ltd	CARE A (SO)
31	Securitisation	5,397.27	ICRA Limited	[ICRA]AA(SO)
32	Securitisation	14,880.72	ICRA Limited	[ICRA]AA(SO)
33	Securitisation	6,703.36	ICRA Limited	[ICRA]A-(SO)
34	Securitisation	5,008.53	ICRA Limited	[ICRA]AA-(SO)
35	Securitisation	10,399.63	Credit Analysis & Research Ltd	CARE AA- (SO)
36	Securitisation	7,002.69	ICRA Limited	[ICRA]AA-(SO)
37	Securitisation	7,132.40	ICRA Limited	Provisional [ICRA]AA-(SO)
38	Securitisation	4,658.91	ICRA Limited	[ICRA]AA-(SO)
39	Securitisation	2,864.87	ICRA Limited	[ICRA]AA-(SO)
40	Securitisation	3,460.69	ICRA Limited	[ICRA]AA-(SO)
41	Securitisation	8,176.01	ICRA Limited	[ICRA]AA-(SO)
42	Securitisation	3,934.74	ICRA Limited	[ICRA]A+(SO)
43	Securitisation	7,951.16	Credit Analysis & Research Ltd	CARE A+ (SO)
44	Securitisation	8,702.86	Credit Analysis & Research Ltd	CARE AA (SO)
45	Securitisation	6,450.45	ICRA Limited	[ICRA]AA-(SO)
46	Securitisation	3,176.52	ICRA Limited	[ICRA]AA-(SO)
47	Securitisation	3,913.97	ICRA Limited	[ICRA]A-(SO)
48	Securitisation	2,968.36	ICRA Limited	[ICRA]A-(SO)

q) Transfer of unclaimed dividends due for remittance into Investor Education and Protection Fund (IEPF):

No amount of unclaimed dividend is due for transfer to Investor Education and Protection Fund.

(r) Reconciliation of Share Capital Audit:

A quarterly audit was conducted by a Practicing Chartered Accountant, reconciling the issued and listed capital of the Company with the aggregate of the number of shares held by investors in physical form and in the depositories and the said certificates were submitted to the Stock Exchanges within the prescribed time limit.

(s) Information to Shareholders:

A brief resume of the Directors appointed/reappointed together with the nature of their experience and details of other Directorships held by them is annexed to the Notice convening Annual General Meeting.

(t) Any query on Annual Report:

Members can write an email on secretarial@satincreditcare.com or send their query on Annual Report on below mentioned address: Plot No. 492, Udyog Vihar, Phase – III, Gurugram, Haryana – 122016, India, addressed to the Company Secretary & Compliance Officer of the Company.

8. OTHER DISCLOSURES:

(a) Disclosure on Materially significant related party transaction:

There has been no material significant related party transaction with the Company's Promoters, Directors, the Management, their subsidiaries or relatives which may have potential conflict with the interests of the Company at large. The necessary disclosures regarding related party transactions are given in the notes to accounts. The Company has also formulated a Policy on materiality of Related Party Transactions and dealing with Related Party Transactions ("**RPT Policy**") and necessary approval of the Audit Committee and Board of Directors were taken wherever required in accordance with the Policy. The RPT policy has been uploaded on the website of the Company at https://satincreditcare.com/wp-content/uploads/2022/03/Policy-on-Materiality-of-RPT-and-Dealing-with-RPT.pdf

(b) Details of non-compliance by the Company:

There were no instances of material non-compliances with Stock Exchange(s), SEBI, RBI regulations and other applicable acts.

The Company was in receipt of an email from BSE Limited regarding delay in submission of intimations which pertains to the year 2021 under Regulation 60(2) of SEBI Listing Regulations asking for fines to be deposited. In view of this, the Company filed a response mentioning reasons of delay i.e. due to unprecedented pandemic caused by COVID 2.0. The said intimations were submitted with some delay (i.e. 1-2 days) inadvertently to the Exchange which leads to non-compliance of Regulation 60(2) of SEBI Listing Regulations. In this regard, the Company had deposited an amount of INR 50,000/- (Indian Rupees Fifty Thousand) plus taxes and intimated the payment details to BSE.

Except above, no penalties or strictures have been imposed on the Company by the Stock Exchange(s), SEBI or RBI or any statutory authority on any matter related to capital markets during the last three financial years.

(c) Establishment of Vigil Mechanism/Whistle Blower Policy:

Pursuant to Section 177(9) of the Act read with Rule 7 of the Companies (Meeting of Board and its Powers) Rules, 2014 and Regulation 22 of SEBI Listing Regulations, the Company vide its Board meeting dated February 10, 2016 had adopted Whistle Blower Policy/Vigil Mechanism applicable for Directors and employees to report concerns about unethical behaviour, actual or suspected fraud, or violation of the code of conduct or ethics policy. It also provides for adequate safeguards against victimization of Directors/ employees who avail the mechanism.

The Company affirms that no personnel has been denied access to the Audit Committee. In order to ensure prope functioning of vigil mechanism, the Audit Committee of the Company on quarterly basis take note of the same. The Whistle Blower Policy/Vigil Mechanism is also placed on website of the Company, i.e. https://satincreditcare.com/wp-content/uploads/2019/05/Whistle-blower-Policy.pdf

(d) Compliance with Mandatory requirement:

The Board of Directors periodically reviewed the compliance of all the applicable laws and steps taken by the Company to rectify instances of non-compliance, if any. The Company is in compliance with all mandatory requirements of SEBI Listing Regulations.

Further, Mr. Harvinder Pal Singh, Chairman cum Managing Director of the Company is Promoter and Executive Director of the Company.

(e) Material Subsidiaries:

During the year under review, the Company does not have any material subsidiary. However, a policy for determining material subsidiaries is placed on website of the Company at https://satincreditcare.com/wp-content/uploads/2019/05/Material-Subsidary-Policy.pdf.

(f) Commodity price risk or foreign exchange risk and hedging activities:

The Company does not have any exposure to commodity price risks. During FY 2022-23, the Company has managed the foreign exchange risk by hedging the entire principal and/or interest on its foreign currency borrowings. The foreign currency and interest rate risk on borrowings have been actively hedged through a combination of forward contracts, options, interest rate swaps.

(g) During the year under review, the Funds raised through conversion of Fully Convertible Warrants into Equity Shares was utilized for the objects stated in Notice convening the shareholders meeting.

Further, pursuant to Regulation 32 of SEBI Listing Regulations, the Company had made necessary disclosure to Stock Exchanges.

(h) The Company has obtained a certificate from Practicing Company Secretary, Mr. Shesdev Behera, from M/s. S. Behera & Co., confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority, is annexed to this report as **Annexure – 2**.

(i) Fees paid to the Statutory Auditors:

The details of total fees paid by the Company and its subsidiaries on consolidated basis to the statutory auditors are as follows:

Sl. No.	Name of Company	Status of Company	Amount Paid (INR in Lakhs)
1	Satin Creditcare Network Limited	Holding Company	40.94
2	Satin Housing Finance Limited	Wholly Owned Subsidiary	9.25
3	Satin Finserv Limited	Wholly Owned Subsidiary	12.00
	Total		**62.19**

(j) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

There were no instances of sexual harassment of woman which were reported during the year under review.

(k) Disclosure pursuant to Loans and advances by the Company and Subsidiaries in the nature of loans to firms/ companies in which directors are interested are given in the Notes to the Financial Statements.

(l) Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries:

Not applicable as the Company does not have any material subsidiaries.

(m) The Company has complied with the requirements of Part C (Corporate Governance Report) of sub-paras (2) to (10) of Schedule V of the SEBI Listing Regulations.

(n) Compliance Certificate:

The Company has complied with Corporate Governance Requirements as specified in Regulation 17 to 27 and Clauses (b) to (i) of Sub-Regulation (2) of Regulation 46 and para C, D and E of Schedule V of the SEBI Listing Regulations for the period commencing from April 1, 2022 and ended on March 31, 2023 and the same is annexed to the report as **Annexure – 3**.

(o) CEO/CFO certification:

The requisite certification from the Chairman cum Managing Director and Chief Financial Officer for the Financial Year 2022-23 required to be given under Regulations 17(8) and 33(2) of the SEBI Listing Regulations was placed before the Board of Directors of the Company at its meeting held on April 29, 2023 and the same is annexed to the report as **Annexure – 4**.

(p) Equity Shares in the Demat suspense account / unclaimed suspense account:

As on March 31, 2023, there are no shares in the Demat suspense account / unclaimed suspense account.

For and on behalf of the Board of Directors

Sd/-
Harvinder Pal Singh
Chairman cum Managing Director
DIN: 00333754

Place: Gurugram
Date: July 10, 2023

ANNEXURES TO CORPORATE GOVERNANCE REPORT

Annexure - 1

DECLARATION BY CHAIRMAN CUM MANAGING DIRECTOR UNDER SCHEDULE V OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

I hereby confirm that all Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for Board of Directors and Senior Management Personnel, as approved by the Board, for the financial year ended on March 31, 2023.

Sd/-
Harvinder Pal Singh
Chairman cum Managing Director
DIN: 00333754

Place: Gurugram
Date: July 10, 2023

Annexure - 2

CERTIFICATE OF CORPORATE GOVERNANCE UNDER REGULATION 34(3) READ WITH SCHEDULE V PART C CLAUSE (10) SUB-CLAUSE (i) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To,
The Members,
Satin Creditcare Network Limited

We have examined all the relevant records of Satin Creditcare Network Limited (CIN: L65991DL1990PLC041796) (the Company) for the purpose of conditions stipulated under Regulation 34(3) read with Schedule V Part C Clause (10) Sub Clause (i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. We have obtained all the information and explanations which are to the best of our knowledge and belief were necessary for the purpose of certification.

In our opinion and to the best of our information and according to the explanations given to us, we certify that none of the directors on the board of the company have been debarred or disqualified, from being appointed or continuing as directors of companies, by the SEBI/MCA or any such statutory authority during the period commencing from April 01, 2022 and ended on March 31, 2023.

For **S.Behera & Co.**
Company Secretaries

Sd/-
Shesdev Behera
FCS No. 8428
C P No.: 5980
UDIN: F008428E000188168

Date: April 25, 2023
Place: New Delhi

Annexure - 3

CERTIFICATE OF CORPORATE GOVERNANCE UNDER REGULATION 34(3) READ WITH SCHEDULE V (E) OF THE SECURITIES' AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To,
The Members,
Satin Creditcare Network Limited

We have examined all the relevant records of Satin Creditcare Network Limited (CIN: L65991DL1990PLC041796) (the Company) for the purpose of certifying the compliance of the conditions of Corporate Governance as stipulated under Regulation 17 to 27, Clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the period commencing from April 01, 2022 and ended on March 31, 2023. We have obtained all the information and explanations which are to the best of our knowledge and belief were necessary for the purpose of certification.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated under Regulation 17 to 27, Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and para C, D and E of Schedule V for the period commencing from April 01, 2022 and ended on March 31, 2023.

This Certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

For **S.Behera & Co.**
Company Secretaries

Sd/-
Shesdev Behera
FCS No. 8428
C P No.: 5980
UDIN: F008428E000188278

Date: April 25, 2023
Place: New Delhi

Annexure - 4

April 28, 2023

The Board of Directors,
Satin Creditcare Network Limited
5th Floor, Kundan Bhawan, Azadpur
Commercial Complex, Azadpur,
New Delhi-110033

Sub: Certificate of Chairman cum Managing Director and Chief Financial Officer under Regulation 33(2) read with Part B of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir(s),

We, Harvinder Pal Singh, Chairman cum Managing Director and Rakesh Sachdeva, Chief Financial Officer of the Company do hereby certify that:

A) We have reviewed the financial results and the cash flow statement for the financial year ended March 31, 2023 and to the best of our knowledge and belief:

   (i) these statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;

   (ii) these statements together present a true and fair view of the Company's affair and are in compliance with existing accounting standards, applicable laws and regulations.

B) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the period under review which are fraudulent, illegal or violative of the Company's Code of Conduct.

C) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D) We have indicated to the auditors and the Audit Committee:

   (i) that there is no significant changes in internal control over financial reporting during the period under review;

   (ii) that there is significant changes in accounting policies during the period under review and that the same have been disclosed in the notes to the financial statements; and

   (iii) that there is no instances of significant fraud during the period under review of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

For and on behalf of
Satin Creditcare Network Limited

Sd/-	Sd/-
(Harvinder Pal Singh)	**(Rakesh Sachdeva)**
Chairman cum Managing Director	Chief Financial Officer

Independent Auditor's Report

To the Members of
Satin Creditcare Network Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Satin Creditcare Network Limited** (the "Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023 and its profit & other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone financial statements.

Key Audit Matter	Auditor's Response
Use of information processing system for accounting and financial reporting The Company is operating in Financial Services Sector, where in due to large volume processing, the accounting & reporting of financial information is reliant on information processing systems and Information Technology (IT) backed internal controls. The controls implemented by the Company in its IT environment determine the integrity, accuracy, completeness and validity of data that is processed by the applications and is ultimately used for financial reporting. Since our audit strategy included focus on entity's information processing systems relevant to our audit due to their pervasive impact on the standalone financial statements, we have determined the use of information processing system for accounting and financial reporting as a key audit matter for the current year audit.	**Principal Audit Procedures** Our key audit procedures on this matter included, but were not limited, to the following: (a) obtained an understanding of the Company's information processing systems, IT General Controls and automated IT controls for applications, databases and operating systems relevant to our audit; (b) Performance of the following procedures: i. tested the IT General Controls around user access management, system change management, and IT operational controls along with segregation of duties around program maintenance, security administration and over key financial accounting and reporting processes; ii. tested the design and operating effectiveness of the Company's periodic review of access rights. We also tested requests of changes to systems for approval and authorization; and iii. tested the automated controls like interfaces and information generated by the entity's information processing systems for loans, interest income and other significant financial statement items.

Key Audit Matter	Auditor's Response
	iv. in addition to the above, we tested the design and operating effectiveness of certain automated controls that were considered as key internal controls over financial reporting (c) obtained written representations from management and those charged with governance on whether IT general controls and automated IT controls are designed and were operating effectively during the period covered by our audit.
Impairment of Financial Assets as at Balance Sheet date (Expected Credit losses on loans) ***[Refer Note No. 3(k) for the accounting policy and Note No. 44 for the related disclosures]*** As at March 31, 2023, the Company has financial assets (loans) amounting to ₹ 5,68,421.19 lakhs including loans which are carried at fair value through other comprehensive income amounting to ₹ 3,71,636.22 lakhs. As per Ind AS 109 - Financial Instruments, the Company is required to recognize loss allowance for expected credit losses (ECL) on financial assets. ECL involves an estimation of probability weighted loss on financial instruments over their life, considering reasonable and supportable information about past events, current conditions and forecasts of future economic conditions which could impact the credit quality of the Company's loans and advances. ECL is calculated using the percentage of probability of default (PD), loss given default (LGD) and exposure at default (EAD) for each of the stages of loan portfolio. ECL is measured at 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 loan assets. Significant management judgment and assumptions involved in measuring ECL is required with respect to: • determining the criteria for a significant increase in credit risk (SICR) • factoring in future economic assumptions • techniques used to determine probability of default, loss given default and exposure at default. These parameters are derived from the Company's internally developed statistical models with the help of experts appointed by the management and other historical data.	**Principal Audit Procedures** Our audit focused on assessing the appropriateness of management's judgment and estimates used in the impairment analysis through the following procedures, but were not limited to the following procedures: a) performed a walkthrough of the impairment loss allowance process and assessed the design effectiveness of controls; b) read and assessed the Company's accounting policies for impairment of financial assets and their compliance with Ind AS 109 and the governance framework approved by the Board of Directors pursuant to guidelines issued by Reserve Bank of India. c) obtained an understanding of the model adopted by the Company including key inputs, assumptions and management overlays for calculation of expected credit losses on the assumptions and how management calculated the expected credit losses and the appropriateness of data on which the calculation is based; d) obtained the reports of the expert appointed by the management and assessed the expert's professional competence, independence and objectivity in developing the ECL model; e) evaluated the appropriateness of the Company's determination of significant increase in credit risk in accordance with the applicable Ind AS. f) as modeling assumptions and parameters are based on historical data, we assessed whether historical experience was representative of current circumstances and was relevant in view of the recent impairment losses incurred within the portfolios; Assessed the criteria for staging of loans based on their past due status to check compliance with requirement of Ind AS 109. Tested a sample of performing (stage 1) loans to assess whether any SICR or loss indicators were present requiring them to be classified under higher stages g) tested the design and operating effectiveness of the key controls over completeness and accuracy of the key inputs and assumptions considered for calculation, recording and monitoring of the impairment loss recognized; h) tested the accuracy of inputs through substantive procedures and assessed the reasonableness of the assumptions used; i) developed a point estimate by making reference to the expected credit losses recognized by entities that carry comparable financial assets; j) tested the arithmetical calculation of the expected credit losses; k) assessed the appropriateness and adequacy of the related presentation and disclosures in the accompanying financial statements in accordance with the applicable Ind AS and related RBI circulars and Resolution Framework; and l) obtained written representations from management and those charged with governance whether they believe significant assumptions used in calculation of expected credit losses are reasonable.

Information other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility and Sustainability Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the other information identified above, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

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

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

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

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

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

2. As required by Section 143(3) of the Act, based on our audit we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

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

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

   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.

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

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

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

      In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.

      ii. The Company has made provision, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

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

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

b. The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

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

v. The Company has not declared or paid any dividend during the year and has not proposed final dividend for the year.

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

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

Naveen Aggarwal
Partner
Membership No.094380
UDIN: 23094380BGUMXX7497

Place : Gurugram
Date : April 29, 2023

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Satin Creditcare Network Limited of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:

a. (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.

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

b. According to the information and explanation provided to us, the Property, Plant & Equipment, Investment property and right-of-use assets have been physically verified by the management according to designed process to cover all the items once in three years, which in our opinion is reasonable having regard to the size of the Company and the nature of its Assets. The discrepancies, noticed on such physical verification had been properly dealt with in the books of account.

c. According to the information and explanation given to us and based on our examination of records, we report that, the title deeds of all immovable properties disclosed in the financial statements included under Property, Plant and Equipment (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company as at the balance sheet date except for the following property which was transferred as a result of an amalgamation of companies as stated in the Note No. 14 to the Standalone Financial Statements wherein the title deeds are in the name of the erstwhile Company.

(Amount in INR Lakhs)

Description of Property	Gross Carrying Value as on March 31, 2023	Held in the Name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in name of Company
Building	292.00	Satin Intellicomm Limited	Not Applicable	Since December 2007	The said property is in the name of Satin Intellicomm Limited, an erstwhile company that merged with the Company. However, transfer formalities are not yet completed.

d. According to the information and explanation given to us and based on our examination of records, the Company has not revalued any of its Property, Plant and Equipment (including right- of-use assets) and intangible assets during the year.

e. According to the information and explanation given to us and based on our examination of records, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii. (a) The Company does not have any inventory and hence reporting under clause 3(ii)(a) of the Order is not applicable.

(b) According to the information and explanation given to us and based on our examination of records, the Company has been sanctioned overdraft against fixed deposits in excess of five crore rupees, in aggregate, from banks or financial institutions. However, there are no covenants in the sanction letters w.r.t. furnishing the quarterly returns / statements for such sanctioned overdraft limits.

iii. According to the information and explanation given to us and based on our examination of records, the Company has made investments in, companies, firms, limited liability partnerships, and granted unsecured loans to other parties, during the year, in respect of which:

(a) Reporting under clause 3(iii)(a) of the Order is not applicable as the Company is a NBFC – MFI.

(b) In our opinion, the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and guarantees provided, during the year are, prima facie, not prejudicial to the Company's interest.

(c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are generally been regular as per stipulation. Since, the Company is NBFC-MFI and considering the significant volume of transactions with number of borrowers furnishing the number of cases of default is practically not feasible.

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

(INR in Lakhs)

Type of Loan	Nos of Cases	Principal Overdue	Interest Overdue	Total Overdue
JLG (Joint Liability Group)	2,01,349	11,973.66	2,178.25	14,151.91
MSME (Micro Small & Medium Enterprises Loans)	152	106.52	173.01	279.53
Total	**2,01,501**	**12,080.18**	**2,351.26**	**14,431.44**

Based on the information & explanations given to us, reasonable steps have been taken by the Company for the recovery of the Principal & Interest.

(e) Reporting under clause 3(iii)(e) of the Order is not applicable as the Company is a NBFC – MFI.

(f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence the reporting under clause 3(iii)(f) is not applicable.

iv. According to the information and explanations given to us, there are no transactions which are required to be reported under Section 185 of the Act, accordingly, provisions of section 185 of the Act are not applicable to the Company. However, the Company has complied with the provisions of section 186 of the Act in respect of loans granted, investments made and guarantees and securities provided, to the extent applicable.

v. According to the information and explanations given to us, during the year the Company has neither accepted any deposits from the public nor any deposits are outstanding during the year. There are no deemed deposits under the provisions of the Act and rules thereunder. Accordingly, the provisions of clause 3 (v) of the Order are not applicable to the Company.

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

vii. According to the information and explanations given to us and the records of the Company examined by us and based on the representation given by the management, in our opinion:

a. the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, employees' state insurance, income tax, goods and services tax, service tax, sales tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues as applicable, with the appropriate authorities. There were no undisputed amounts outstanding at the year-end for a period of more than six months from the date they became payable except employee provident fund where the amount involved is ₹ 54,420/-.

b. Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2023 on account of disputes are given below:

Name of the Statue	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount INR (in Lakhs)
The Income Tax Act, 1961	Income Tax	CIT (A)	AY* 2018-19	64.96
		CIT (A)	AY* 2020-21	67.35
		CIT (A)	AY* 2021-22	389.40

*AY = Assessment Year

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

ix. (a) According to the information and explanation given to us and based on our examination of records, the Company has not defaulted in repayment of loans or other borrowings or in the payment of Interest thereon to any lender and hence, reporting under clause 3(ix)(a) of the Order is not applicable.

(b) Based on the information and explanations given to us, the Company has not been declared wilful defaulter by any bank or financial institution or other lender.

(c) According to the information and explanation given to us and based on our examination of records, the Company has applied the term loans for the purpose for which the loans were obtained.

(d) According to the information and explanation given to us and based on our examination of records, funds raised on short- term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) According to the information and explanation given to us and based on our examination of records, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries. The Company is not having associate or joint venture. Accordingly, the reporting under this clause 3(ix)(e) of the Order is not applicable.

(f) According to the information and explanation given to us and based on our examination of records, the Company has not raised loans on the pledge of securities held in its subsidiaries. The Company is not having any joint ventures or associate companies during the year and hence, reporting under clause 3(ix)(f) of the Order is not applicable.

x. (a) According to the information and explanation given to us and on the basis of our examination of the records, the Company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanation given to us and based on our examination of records, during the year, the Company has made preferential allotment of shares by way of conversion of share warrants into equity shares, which is in accordance with the requirements of section 42 and section 62 of the Act read with Rule 13 of the Companies (Share Capital and Debentures) Rules, 2014 and the funds raised have been used for the purposes for which the funds were raised. The Company has not issued any convertible debentures (fully, partially or optionally convertible) during the year.

xi. (a) According to the information and explanation given to us and based on our examination of records, no fraud by the Company or on the Company has been noticed or reported during the period covered by our audit except management reported few instances of misappropriation of cash collected from customers and other forms of embezzlement of cash by the employees, involving amount aggregating to ₹ 119.92 Lakhs (net of recovery) as mentioned in Note No. 57(A)(xviii)(i) to the financial statements. As informed to us, the Company has terminated the services of such employees and also initiated legal action against them.

(b) According to the information and explanation given to us and based on our examination of records, no report under sub-section (12) of section 143 of the Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) We have taken into consideration a whistle blower complaint received by the Company during the year (and upto the date of this report), while determining the nature, timing and extent of our audit procedures.

xii. The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.

xiii. In our opinion, the Company is in compliance with sections 177 and 188 of the Act with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable Ind AS (Refer Note No. 49 to the financial statements).

xiv. (a) According to the information and explanation given to us and based on our examination of records, in our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

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

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

xvi. (a) The Company was required to be registered under Section 45IA of the Reserve Bank of India Act, 1934 (2 of 1934) as a NBFC-MFI and has obtained the certificate vide no. B-14.01394 dated November 06, 2013.

(b) According to the information and explanations given to us and based on our examination of the records, the Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(c) According to the information and explanations given to us and based on our examination of the records, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India, accordingly, paragraph 3(xvi)(c) of the Order is not applicable.

(d) As per the information and explanation provided to us by the company, two companies in the group are in the process of registration as Core Investment Company under the Reserve Bank of India Act and an application regarding the same has been submitted with the RBI on March 29, 2023.

xvii. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year, accordingly, reporting under clause 3(xviii) of the Order is not applicable.

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

xx. There are no unspent amounts towards Corporate Social Responsibility (CSR) on ongoing or other than ongoing projects requiring a transfer to a Fund specified in Schedule VII of the Act in compliance with second proviso to sub-section (5) of section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) and 3(xx)(b) of the Order is not applicable for the year.

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

Naveen Aggarwal
Partner
Membership No.094380
UDIN: 23094380BGUMXX7497

Place : Gurugram
Date : April 29, 2023

Annexure "B" to the Independent Auditor's Report

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Satin Creditcare Network Limited of even date)

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of sub- section 3 of Section 143 of the Companies Act, 2013 (the "Act")

We have audited the internal financial controls with reference to financial statements of Satin Creditcare Network Limited (the "Company") as of March 31, 2023 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Management of the Company is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (the "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to the financial statements.

Meaning of Internal Financial Controls with reference to the financial statements

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

Inherent Limitations of Internal Financial Controls with reference to the financial statements

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

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

Naveen Aggarwal
Partner
Membership No.094380
UDIN: 23094380BGUMXX7497
Place: Gurugram
Date : April 29, 2023

Standalone Balance Sheet
as at March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
Financial assets			
Cash and cash equivalents	4	21,335.16	104,900.58
Bank balances other than cash and cash equivalents	5	81,540.28	86,565.38
Derivative financial instruments	6	2,231.64	1,192.75
Trade receivables	7	241.12	239.41
Loans	8	568,421.19	489,739.76
Investments	9	74,151.81	33,616.86
Other financial assets	10	1,606.69	2,105.14
		749,527.89	**718,359.88**
Non-financial assets			
Current tax assets (net)	11	3,321.63	–
Deferred tax assets (net)	12	–	6,811.20
Investment Property	13	664.26	698.26
Property, plant and equipment	14	8,328.99	7,901.34
Capital work-in-progress	14	–	17.89
Other intangible assets	15	144.66	212.71
Other non-financial assets	16	2,552.22	3,539.22
		15,011.76	**19,180.62**
TOTAL ASSETS		**764,539.65**	**737,540.50**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Payables			
Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises	17	–	–
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		198.23	1,049.81
Other payables	18		
(i) total outstanding dues of micro enterprises and small enterprises		23.87	172.02
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1,125.93	1,371.54
Debt securities	19	109,144.08	118,743.75
Borrowings (other than debt securities)	20	400,477.70	382,504.26
Subordinated liabilities	21	35,126.25	45,034.73
Other financial liabilities	22	25,542.79	26,409.64
		571,638.85	**575,285.75**
Non-financial liabilities			
Current tax liabilities (net)	23	–	100.06
Provisions	24	703.85	775.84
Deferred tax liabilities (net)	12	245.64	–
Other non-financial liabilities	25	579.63	754.02
		1,529.12	**1,629.92**
EQUITY			
Equity share capital	26	8,479.63	7,459.12
Other equity	27	182,892.05	153,165.71
		191,371.68	**160,624.83**
TOTAL LIABILITIES AND EQUITY		**764,539.65**	**737,540.50**

Statement of significant accounting policies and other explanatory notes. 1-3

This balance sheet referred to in our report of even date.

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

Naveen Aggarwal
Partner
Membership Number: 094380

Place: Gurugram
Date: April 29, 2023

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

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

Satvinder Singh
(Director)
DIN: 00332521

Sanjay Kumar Bhatia
(Chairman Audit Committee cum Director)
DIN: 07033027

Rakesh Sachdeva
(Chief Financial Officer)

Vikas Gupta
(Company Secretary & Compliance Officer)
Membership Number: A24281

Place: Gurugram
Date: April 29, 2023

Standalone Statement of Profit and Loss

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
I. Income			
Revenue from operations			
Interest income	28	116,008.44	117,010.74
Dividend income	29	0.17	3.15
Rental income	30	117.41	110.71
Fees and commission income	31	2,140.20	2,388.69
Net gain on fair value changes	32	36,631.03	1,423.43
Net gain on derecognition of financial instruments	33	20,964.37	4,954.65
Other operating income	34	243.68	303.38
Total revenue from operations		**176,105.30**	**126,194.75**
Other income	35	49.18	23.34
Total income		**176,154.48**	**126,218.09**
II. Expenses			
Finance costs	36	57,602.47	60,641.19
Impairment on financial instruments	37	40,229.51	17,542.43
Employee benefits expenses	38	31,631.57	32,442.01
Depreciation and amortisation	39	1,620.27	1,378.79
Other expenses	40	10,970.62	8,277.64
Total expenses		**142,054.44**	**120,282.06**
Profit before tax		**34,100.04**	**5,936.03**
Tax expense:	41		
Current tax		(30.37)	3,132.23
Deferred tax charge/ (credit)		7,697.49	(1,218.71)
Total		**7,667.12**	**1,913.52**
Profit after tax		**26,432.92**	**4,022.51**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurements of the defined benefit plans (refer note 48)		(29.67)	12.91
Equity instruments through other comprehensive income (refer note 9)		(2,731.61)	–
Income tax relating to above items		694.96	(3.25)
	A	**(2,066.32)**	**9.66**
Items that will be reclassified to profit or loss			
Changes in fair value of loan assets (refer note 8)		243.31	(3,917.29)
Income tax relating to above item		(61.24)	985.90
Cash flow hedge reserve (refer note 27)		(27.48)	–
Income tax relating to above item		6.92	–
	B	**161.51**	**(2,931.39)**
Other comprehensive income	A+B	**(1,904.81)**	**(2,921.73)**
Total comprehensive income for the period		**24,528.11**	**1,100.78**
Earnings per equity share (face value of ₹ 10 per equity share)	42		
Basic (₹)		33.79	5.76
Diluted (₹)		32.30	5.29

Statement of significant accounting policies and other explanatory notes. 1-3

This statement of profit and loss referred to in our report of even date.

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

Naveen Aggarwal
Partner
Membership Number: 094380

Place: Gurugram
Date: April 29, 2023

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

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

Satvinder Singh
(Director)
DIN: 00332521

Sanjay Kumar Bhatia
(Chairman Audit Committee cum Director)
DIN: 07033027

Rakesh Sachdeva
(Chief Financial Officer)

Vikas Gupta
(Company Secretary & Compliance Officer)
Membership Number: A24281

Place: Gurugram
Date: April 29, 2023

Standalone Cash Fow Statement

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
A	**Cash flow from operating activities**		
	Profit before tax	34,100.04	5,936.03
	Adjustments for:		
	Depreciation and amortisation	1,107.22	1,167.27
	Depreciation of right-of-use assets	513.05	175.77
	Net (gain)/loss on derecognition of property, plant and equipment	(2.95)	22.78
	Fair value gain on mutual funds	(375.18)	(264.81)
	Gain on fair valuation of subsidiaries	(35,215.77)	–
	Unrealised gain on fair value changes of derivatives and investments	(1,040.08)	(1,158.62)
	Property, plant and equipment written off	6.01	39.14
	Impairment on financial instruments	40,229.51	17,542.43
	Dividend income	(0.17)	(3.15)
	Gain on sale of loan portfolio through assignment	(20,964.37)	(4,954.65)
	First loss default guarantee reversal	(593.39)	(380.06)
	Effective interest rate adjustment for financial instruments	1,649.08	1,970.36
	Interest expense for leasing arrangements	120.58	63.82
	Net gain on termination of leases	(7.59)	(7.78)
	Corporate guarantee premium income	(38.64)	(15.56)
	Unrealised exchange fluctuation loss (net)	512.98	367.92
	Operating profit before working capital changes	**20,000.33**	**20,500.89**
	Movement in working capital		
	(Increase)/decrease in trade receivables	(1.71)	1,221.51
	(Increase)/decrease in loans	(94,983.85)	45,255.01
	Decrease/(increase) in fixed deposits	5,025.10	(12,370.07)
	Decrease in other financial assets	473.08	1,008.82
	Decrease/(increase) in other non-financial assets	987.00	(1,226.12)
	(Decrease)/increase in trade and other payables	(1,245.34)	142.17
	Decrease in other financial liabilities	(234.82)	(3,627.18)
	Decrease in provisions	(101.66)	(527.41)
	(Decrease)/increase in other non-financial liabilities	(174.39)	64.23
	Cash (used in)/generated from operating activities post working capital changes	**(70,256.26)**	**50,441.85**
	Income tax paid (net)	(3,391.33)	(3,925.67)
	Net cash (used in)/generated from operating activities (A)	**(73,647.59)**	**46,516.18**
B	**Cash flows from investing activities**		
	Purchase of property, plant and equipment	(798.17)	(468.14)
	Proceeds from sale of property, plant and equipment	31.16	37.47
	Investment made in subsidiaries	(3,999.90)	(500.00)
	Investment made in other than subsidiaries	(530,931.63)	(477,085.63)
	Sale of investments other than subsidiaries	524,563.07	472,551.88
	Dividend income	0.17	3.15
	Net cash used in investing activities (B)	**(11,135.30)**	**(5,461.27)**
C	**Cash flows from financing activities (refer to note (i) below)**		
	Proceeds from issue of share capital and share warrants (including premium and net of share issue expenses)	6,218.75	10,457.62
	Proceeds from debt securities	28,209.32	29,585.32
	Repayment of debt securities	(38,043.56)	(81,783.71)
	Proceeds from borrowings other than debt securities	396,212.56	301,140.12
	Repayment of borrowings other than debt securities	(361,454.70)	(310,460.73)
	Lease payments	(615.42)	(220.70)
	Repayment of subordinated liabilities	(9,890.93)	(5,369.41)
	Net cash generated from/(used in) financing activities (C)	**20,636.02**	**(56,651.49)**
	Net decrease in cash and cash equivalents (A+B+C)	(64,146.87)	(15,596.58)
	Cash and cash equivalents at the beginning of the year (refer to note (ii) below)	85,482.03	101,078.61
	Cash and cash equivalents at the end of the year	**21,335.16**	**85,482.03**

(i) Refer note 21 for reconciliation of liabilities arising from financing activities.

(ii) Refer note 5 for restricted cash and cash equivalents.

Standalone Cash Fow Statement

for the year ended March 31, 2023 (Contd..)

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Notes:		
Cash and cash equivalents (as per note 4 to the finacncial statements)	21,335.16	104,900.58
Less: Overdraft facility against term deposits (as per note 20 to the finacncial statements)	–	(19,418.55)
	21,335.16	**85,482.03**

Statement of significant accounting policies and other explanatory notes. Note 1-3

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

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

Naveen Aggarwal
Partner
Membership Number: 094380

Place: Gurugram
Date: April 29, 2023

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

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

Satvinder Singh
(Director)
DIN: 00332521

Sanjay Kumar Bhatia
(Chairman Audit Committee cum Director)
DIN: 07033027

Rakesh Sachdeva
(Chief Financial Officer)

Vikas Gupta
(Company Secretary & Compliance Officer)
Membership Number: A24281

Place: Gurugram
Date: April 29, 2023

Standalone Statement of Changes in Equity

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

A. Equity share capital (refer note 26)

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

March 31, 2022

Particulars	Balance as at April 1, 2021	Changes in Equity Share Capital due to prior period errors	Restated balance at April 1, 2021	Changes during the year	Balance as at March 31, 2022
Equity share capital	6,647.12	–	6,647.12	812.00	7,459.12

B. Other equity (refer note 27)

Particulars	Reserves and surplus						Other comprehensive income			Money received against share warrants	Total
	Statutory reserve	Securities premium	General reserve	Capital redemption reserve	Share options outstanding account	Retained earnings	Equity instruments through other comprehensive income	Change in fair value of loan assets through other comprehensive income	Cash flow hedge reserve		
Balance as at April 1, 2021	**9,966.39**	**101,809.54**	**29.94**	**277.00**	**217.77**	**26,632.46**	**(5.00)**	**3,509.45**	**20.56**	**–**	**142,458.11**
Changes in accounting policy/prior period errors	–	–	–	–	–	–	–	–	–	–	–
Restated balance at April 1, 2021	**9,966.39**	**101,809.54**	**29.94**	**277.00**	**217.77**	**26,632.46**	**(5.00)**	**3,509.45**	**20.56**	**–**	**142,458.11**
Profit for the year	–	–	–	–	–	4,022.51	–	–	–	–	4,022.51
Other comprehensive income (net of tax)	–	–	–	–	–	9.66	–	(2,931.39)	–	–	(2,921.73)
Issue of equity shares (net of share issue expenses)	–	4,645.62	–	–	–	–	–	–	–	–	4,645.62
Issue of share warrants	–	–	–	–	–	–	–	–	–	5,000.00	5,000.00
Transfer to statutory reserves	804.50	–	–	2,500.00	–	(3,304.50)	–	–	–	–	–
Transfer from share options outstanding account	–	–	–	–	(178.97)	178.97	–	–	–	–	–
Share based payment to employees	–	–	–	–	(38.80)	–	–	–	–	–	(38.80)
Balance as at March 31, 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**

Standalone Statement of Changes in Equity

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

B. Other equity (refer note 27) (Contd..)

Particulars	Reserves and surplus						Other comprehensive income			Money received against share warrants	Total
	Statutory reserve	Securities premium	General reserve	Capital redemption reserve	Share options outstanding account	Retained earnings	Equity instruments through other comprehensive income	Change in fair value of loan assets through other comprehensive income	Cash flow hedge reserve		
Changes in accounting policy/prior period errors	–	–	–	–	–	–	–	–	–	–	–
Restated balance at March 31, 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)
Money received against 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**

Statement of significant accounting policies and other explanatory notes.

This statement of changes in Equity referred to in our report of even date.

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

Naveen Aggarwal
Partner
Membership Number: 094380

Place: Gurugram
Date: April 29, 2023

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

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

Satvinder Singh
(Director)
DIN: 00332521

Sanjay Kumar Bhatia
(Chairman Audit Committee cum Director)
DIN: 07033027

Rakesh Sachdeva
(Chief Financial Officer)

Vikas Gupta
(Company Secretary & Compliance Officer)
Membership Number: A24281

Place: Gurugram
Date: April 29, 2023

Notes to the Standalone Financial Statements
for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Note 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.

Note 2 : Basis of preparation

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

These standalone financial statements ("the Financial Statements") have been prepared in accordance with the Indian Accounting Standards ('Ind AS') as notified by Ministry of Corporate Affairs ('MCA') under Section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time. The Company has uniformly applied the accounting policies for all the periods presented in this financial statements.

The financial statements for the year ended March 31, 2023 were authorized and approved for issue by the Board of Directors on April 29, 2023.

(ii) Historical cost convention

The financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India. Further, the financial statements have been prepared on a historical cost basis, except for fair value through other comprehensive income (FVOCI) instruments, derivative financial instruments, and financial assets and liabilities designated at fair value through profit or loss (FVTPL), all of which have been measured at fair value. Further the carrying values of recognised assets and liabilities that are hedged items in fair value hedges, and otherwise carried at amortised cost, are adjusted to record changes in fair value attributable to the risks that are being hedged.

(iii) Going Concern

Management is of the view that having regard to the projections of the business prospects, Company shall be able to continue as a going concern. Accordingly, management considers it appropriate to prepare these financials statements on a going concern basis.

Note 3 : Summary of significant accounting policies

The financial statements have been prepared using the significant accounting policies and measurement bases summarised as below. These policies are applied consistently for all the periods presented in the financial statements.

a) Property, plant and equipment

Recognition and initial measurement

Property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are recognised in statement of profit and loss.

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

Property, plant and equipment are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation on property, plant and equipment is provided on the written down value method over the useful life of the assets estimated by the management. The useful life estimated by the management is as under:

Asset class	Useful life
Building	60 years
Electrical equipment	10-25 years
Office equipment	5 years
Computer equipment	3-6 years
Furniture and fixtures	10 years
Vehicles	8-10 years

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

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

De-recognition

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

is recognized in the statement of profit and loss, when the asset is de-recognised.

Capital work-in-progress

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

b) Investment property

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

The Company depreciates building component of investment property over 60 years from the date of original purchase.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of de-recognition.

c) Intangible assets

Recognition and initial measurement

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

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

Intangible assets are amortised over a period of 3-5 years from the date when the assets are available for use. The estimated useful life (amortisation period) of the intangible assets is arrived basis the expected pattern of consumption of economic benefits and is reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

d) Intangible assets under development

Intangible assets under development represents expenditure incurred in respect of intangible assets under development and are carried at cost. Cost includes development cost, borrowing costs and other direct expenditure necessary to create, produce and prepare the asset to be capable of operating in the manner intended by management. These are recognised as assets when the Company can demonstrate following recognition requirements:

- The development costs can be measured reliably
- The project is technically and commercially feasible
- The Company intends to and has sufficient resources to complete the project
- The Company has the ability to use or sell such intangible asset
- The asset will generate probable future economic benefits.

Amortisation of the asset begins when development is complete and the asset is available for use.

e) Revenue recognition

Interest income on loans

The Company recognises interest income using Effective Interest Rate (EIR) on all financial assets subsequently measured at amortised cost or fair value through other comprehensive income (FVOCI). EIR is calculated by considering any fees and all incremental costs that are directly attributable to acquisition of a financial asset and it represents a rate that exactly discounts estimated future cash payments/receipts through the expected life of the financial asset to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

The Company recognises interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. In case of credit-impaired financial assets regarded as 'Stage 3', the Company recognises interest income on the net amortised cost of financial assets at EIR. If financial asset is no longer credit-impaired Company reverts to calculating interest income on a gross basis.

Income from assignment transactions

Income from assignment transactions i.e. present value of excess interest spread is recognised when the related

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

loan assets are de-recognised. Interest income is also recognised on carrying value of remaining assets over the outstanding period of such assets.

Commission income

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

Dividend income

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

Miscellaneous income

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

f) Borrowing costs

Borrowing costs consists of interest and other cost that the Company incurred in connection with the borrowing of funds. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset form part of the cost of that asset. Borrowing costs are charged to the Statement of Profit and Loss on the basis of effective interest rate method.

g) Taxation

I. **Current tax:** Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, in accordance with the Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS) prescribed therein. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current tax relating to items recognised outside profit or loss is recognised in correlation to the underlying transaction either in OCI or directly in other equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

II. **Deferred Tax:** Deferred tax is provided using the Balance Sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for deductible temporary differences to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets, if any, are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised either in OCI or in other equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority. Tax expense recognized in Statement of Profit and Loss comprises the sum of deferred tax and current tax except to the extent it recognized in other comprehensive income or directly in equity.

h) Employee benefits

Short-term employee benefits

Short-term employee benefits including salaries, short term compensated absences (such as a paid annual leave) where the absences are expected to occur within twelve months after the end of the period in which the employees render the related service, profit sharing and bonuses payable within twelve months after the end of the period in which the employees render the related services and non-monetary benefits for current employees are estimated and measured on an undiscounted basis.

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

Defined contribution plans

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

Defined benefit plans

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. Under the defined benefit plans, the amount that an employee

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

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

Other long-term employee benefits

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

i) Share based payments

The Company has formulated an Employees Stock Option Schemes to be administered through a Trust. The stock options granted to employees pursuant to the Company's Stock Options Schemes, are measured at the fair value of the options at the grant date. The fair value of options granted under Employee Stock Option Plan is recognised as an employee benefits expense with a corresponding increase in other equity. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the Company revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in Statement of Profit and Loss, with a corresponding adjustment to equity.

j) Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. Recoverable amount is higher of an asset's fair value less cost of disposal and its value in use. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the reporting date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

Compensation for impairment

Compensation from third parties for items of property, plant and equipment that were impaired, lost or given up are recognised in statement of profit and loss when the compensation becomes receivable.

Financial Guarantees

Financial guarantees are initially recognised at fair value. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

The premium received (if any) is recognised as income on a straight-line basis over the life of the guarantee.

k) Impairment of financial assets

The Company is recording the allowance for expected credit losses for all loans at amortised cost and FVOCI and other financial assets not held at FVTPL

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL). The Company's policies for determining if there has been a significant increase in credit risk.

Loan assets

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

- Stage 1 (1-30 days) includes loan assets that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date.
- Stage 2 (31-90 days) includes loan assets that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment.
- Stage 3 (more than 90 days) includes loan assets that have objective evidence of impairment at the reporting date.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

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

Probability of Default (PD) - The PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months (12 months PD), or over the remaining lifetime (Lifetime PD) of the obligation.

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

Exposure at Default (EAD) – EAD is based on the amounts the Company expects to be owed at the time of default.

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

Trade receivables

In respect of trade receivables, the Company applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of trade receivables.

Other financial assets

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

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

Write-offs

Financial assets are written off either partially or in their entirety to the extent that there is no realistic prospect of recovery. Any subsequent recoveries are credited to impairment on financial instrument on statement of profit and loss.

l) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand (including imprest), demand deposits and short-term highly liquid investments (certificate of deposits and commercial paper) that are readily convertible into known amount of cash and which are subject to an insignificant risk of changes in value. The Company has netted off the balance of bank overdraft with cash and cash equivalents for cash flow statement as they are considered an integral part of the Company's cash management.

m) Equity investment in subsidiaries

Investments representing equity interest in subsidiaries are accounted for at Fair Value through Profit and Loss (FVTPL) in accordance to Ind AS 109 read with Ind AS 27 Separate Financial Statements.

n) Provisions, contingent assets and contingent liabilities

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

Contingent liability is disclosed for:

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

Contingent assets are not recognised but disclosed where an inflow of economic benefits is probable.

o) Leases

Company as a lessee

A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Company assesses whether the contract meets three key evaluations which are whether:

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(All amounts in ₹ lakhs, unless otherwise stated)

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company
- the Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract the Company has the right to direct the use of the identified asset throughout the period of use.

The Company assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

Determining the lease term of contracts with renewal and termination options where Company is lessee - The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination.

Company as lessor:

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

Classification of leases – The Company enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

p) Financial instruments

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition and measurement

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

Non-derivative financial assets

Subsequent measurement

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

   - The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

Notes to the Standalone Financial Statements

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(All amounts in ₹ lakhs, unless otherwise stated)

- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the Statement of Profit and Loss.

ii. **Financial assets are measured at FVOCI when both of the following conditions are met: –** a financial asset is measured at the FVOCI if both the following conditions are met:

- The instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets
- The contractual terms of the financial asset meet the SPPI test

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI. Interest income are recognised in profit or loss in the same manner as for financial assets measured at amortised cost.

Investment in security receipts issued by trust floated by asset reconstruction companies are accounted for at fair value through other comprehensive income (FVOCI).

iii. **Investments in equity instruments –** Investments in equity instruments which are held for trading are classified as at fair value through profit or loss (FVTPL). For all other equity instruments, the Company makes an irrevocable choice upon initial recognition, on an instrument by instrument basis, to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL). Amounts presented in other comprehensive income are not subsequently transferred to profit or loss. However, the Company transfers the cumulative gain or loss within equity. Dividends on such investments are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

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

v. **Financial assets measured at FVTPL –** FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL, with all changes recognized in the P&L.

De-recognition of financial assets

Financial assets (or where applicable, a part of financial asset or part of a group of similar financial assets) are de-recognised (i.e. removed from the Company's balance sheet) when the contractual rights to receive the cash flows from the financial asset have expired, or when the financial asset and substantially all the risks and rewards are transferred. Further, if the Company has not retained control, it shall also de-recognise the financial asset and recognise separately as assets or liabilities any rights and obligations created or retained in the transfer.

Non-derivative financial liabilities

Subsequent measurement

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

De-recognition of financial liabilities

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

First loss default guarantee

First loss default guarantee contracts are contracts that require the Company to make specified payments to reimburse the bank for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a agreement. Such financial guarantees are given to bank, for whom the Company acts as 'Business Correspondent'.

These contracts are initially measured at fair value and subsequently measure at higher of:

- The amount of loss allowance (calculated as described in policy for impairment of financial assets)
- Maximum amount payable as on the reporting date to the bank which is based on the amount of loans overdue for more than 75 days in respect to agreements with banks.

Further, the maximum liability is restricted to the cash outflow agreed in the agreement.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Compound financial instruments

Optionally convertible instruments are separated into liability and equity components based on the terms of the contract. On issuance of the said instruments, the liability component is arrived by discounting the gross sum (including redemption premium, if any) at a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost until it is extinguished on conversion or redemption. The remainder of the proceeds is recognised as equity component of compound financial instrument. This is recognised and included in shareholders' equity, net of income tax effects, and not subsequently re-measured.

Offsetting of financial instruments

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

Derivative contracts

The Company enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit and loss using mark to market information.

Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date using valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

a) In the principal market for the asset or liability, or

b) In the absence of a principal market, in the most advantageous market for the asset or liability.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured are categorised with fair value hierachy into Level I, Level II and Level III based on level of input.

q) Earnings per share

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

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

r) Segment reporting

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

s) Foreign currency

Functional and presentation currency

Items included in the financial statement of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements have been prepared and presented in Indian Rupees (₹), which is the Company's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency, by applying the exchange rates on the foreign currency amounts at the date of the transaction. Foreign currency monetary items outstanding at the balance sheet date are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the Statement of Profit and Loss in the year in which they arise.

t) Government grants

Grants and subsidies from the government are recognised when there is reasonable assurance that (i) the Company

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

Grant or subsidy relates to revenue, it is recognised as income on a systematic basis in profit or loss over the periods necessary to match them with the related costs, which they are intended to compensate.

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

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

Significant management judgements

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

Business model assessment - The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and accordingly prospective change to the classification of those assets are made.

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

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

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

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

Significant estimates

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

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

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

v) Statement of Cash Flows

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method adjusting the net profit for the effects of:

I. Changes during the period in operating receivables and payables transactions of a non-cash nature;

II. Non-cash items such as depreciation, provisions, deferred taxes, unrealised foreign currency gains and losses; and

III. All other items for which the cash effects are investing or financing cash flows.

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for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Note 4 : Cash and cash equivalents

Particulars	As at March 31, 2023	As at March 31, 2022
Cash on hand	4,022.27	4,758.22
Balances with banks and financial institutions		
– Balance with banks in current accounts	15,312.64	72,134.78
– Deposits for original maturity of less than 3 months	2,000.25	28,007.58
Total	**21,335.16**	**104,900.58**

*Balance in current accounts includes balance of ₹ 2.15 lakhs (March 31, 2022 : ₹ 2.15 lakhs) which is earmarked for unpaid dividend.

Note 5 : Bank balances other than cash and cash equivalents

Particulars	As at March 31, 2023	As at March 31, 2022
Deposits for remaining maturity of more than 3 months and upto 12 months	4,213.98	4,128.44
Deposits with remaining maturity more than 12 months	935.46	–
Balance with banks and financial institutions to the extent held as margin money deposits against borrowings and guarantees	76,390.84	82,436.94
Total	**81,540.28**	**86,565.38**

The amount under lien as security against term loan and overdraft facility availed, assets securitised, first loss default guarantee are as follows (included above in note 4 and 5):-

Particulars	As at March 31, 2023	As at March 31, 2022
Term loans	18,093.70	33,468.09
Overdraft facilities	37,103.39	39,381.51
Securitisations	20,307.79	6,796.83
Derivatives	–	597.68
Bank guarantee against rights issue	–	64.63
Security against first loss default guarantee	883.40	2,125.75
Security against facilities	2.56	2.45
Total	**76,390.84**	**82,436.94**

Note 6 : Derivative financial instruments

Particulars	As at March 31, 2023		As at March 31, 2022	
	Notional amounts (₹)	Fair value (₹)	Notional amounts (₹)	Fair value (₹)
Currency and interest swap	41,518.44	2,231.64	31,161.35	1,192.75
	41,518.44	**2,231.64**	**31,161.35**	**1,192.75**
Included in above are derivative held for risk management purpose as follows:				
Undesignated derivative	41,518.44	2,231.64	31,161.35	1,192.75
Total	**41,518.44**	**2,231.64**	**31,161.35**	**1,192.75**

The Company enters into derivative contracts for risk management purposes.

The table above represents the fair value of derivate financial instruments recorded as assets together with the notional amounts.

The notional amounts indicates the value of transaction outstanding at the year end and are not indicative of either the market risk or credit risk.

The Company is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are foreign currency risk and interest rate risk. The Company's risk management strategy and how it is applied to manage risk are explained below.

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for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Derivatives designated as hedging instruments

Foreign currency risk

The Company is exposed to foreign currency risk arising from its fixed rate foreign currency borrowing amounting to US $ 9.4 million. Interest on the borrowing is payable at a fixed rate of 5.93% per annum. (on semi-annual basis starting from February 5, 2020) and the principal amount was repaid on August 5, 2022. The Company economically hedged the foreign currency risk arising from the debt with a 'receive fixed pay fixed' cross-currency interest rate swap ('swap') on July 24, 2019. The notional amount of swap was ₹ 6,487.41 lakhs. The swap contract converted the cash outflows of the foreign currency fixed rate borrowing of US $ 9.4 million to cash outflows in ₹ with a notional amount of ₹ 6,487.41lakhs and fixed interest of 11.18% per annum.

Offsetting

The Company does not have derivative financial assets and financial liabilities which are subject to master netting arrangements. Master netting arrangements are those arrangements wherein in the case of insolvency, derivative financial assets and financial liabilities will be settled on a net basis.

Note 7 : Trade receivables (at amortised cost)

Particulars	As at March 31, 2023	As at March 31, 2022
Considered good - unsecured	241.72	248.96
	241.72	**248.96**
Less: Impairment loss allowance	(0.60)	(9.55)
Total	**241.12**	**239.41**

Trade Receivables ageing schedule

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables – considered good	75.98	–	–	–	–	75.98
(ii) Undisputed trade receivables – credit impaired	–	–	–	–	–	–
(iii) Disputed trade receivables – considered good	–	–	–	–	–	–
(iv) Disputed trade receivables – credit impaired	–	–	–	–	–	–
(v) Unbilled	–	–	–	–	–	165.74
As at March 31, 2023	**75.98**	**–**	**–**	**–**	**–**	**241.72**

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables – considered good	240.04	–	–	–	–	240.04
(ii) Undisputed trade receivables – credit impaired	–	1.99	2.67	4.26	–	8.92
(iii) Disputed trade receivables – considered good	–	–	–	–	–	–
(iv) Disputed trade receivables – credit impaired	–	–	–	–	–	–
(v) Unbilled	–	–	–	–	–	–
As at March 31, 2022	**240.04**	**1.99**	**2.67**	**4.26**	**–**	**248.96**

The Company does not have any receivables which are either credit impaired or where there is significant increase in credit risk other than those which are provided for.

Notes to the Standalone Financial Statements
for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Note 8 : Loans

Particulars	As at March 31, 2023		As at March 31, 2022	
	At fair value through other comprehensive income	At amortised cost	At fair value through other comprehensive income	At amortised cost
Portfolio loans (also refer note 44)				
Secured	–	4,883.97	–	5,246.01
Unsecured*	381,675.56	193,746.68	421,364.40	97,602.07
	381,675.56	**198,630.65**	**421,364.40**	**102,848.08**
Less: Impairment loss allowance	(10,039.34)	(1,845.68)	(32,831.24)	(1,641.48)
	(10,039.34)	**(1,845.68)**	**(32,831.24)**	**(1,641.48)**
Sub total	**371,636.22**	**196,784.97**	**388,533.16**	**101,206.60**
Total loans		**568,421.19**		**489,739.76**

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Secured by tangible assets (property, plant and equipment including land and building)	962.26	2,283.85
(ii) Secured by book debts, inventories, margin money and other working capital items	3,082.64	1,733.28
(iii) Unsecured	564,376.29	485,722.63
Total	**568,421.19**	**489,739.76**

Loans in India		
(i) Public sector	–	–
(ii) Others	568,421.19	489,739.76
Total	**568,421.19**	**489,739.76**

*Unsecured portfolio measured at amortised cost of ₹ 10,000.03 lakhs (balance as on June 10, 2022 i.e. cut off date) (March 31, 2022 : ₹ 5,314.81 lakhs (balance as on February 28, 2022 i.e. cut off date)) sold to an asset reconstruction company at a value of ₹ 8,650.00 lakhs on June 29, 2022 (March 31, 2022 : ₹ 5,300.00 lakhs on March 28, 2022).

Loss on such sale is netted off from net gain as disclosed in Note 33. The balance outstanding as on March 31, 2023 is ₹ 13,130.86 lakhs (March 31, 2022 : ₹ 5,254.77 lakhs).

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Note 9 : Investments (unquoted)

Particulars	As at March 31, 2023				As at March 31, 2022				
		At fair value				At fair value			
	Amortised cost	Through other comprehensive income	Through profit and loss	Total	Amortised cost	Through other comprehensive income	Through profit and loss	Cost*	Total
Equity instruments									
Subsidiaries*									
Nil (March 31, 2022 : 1,60,40,025) equity shares of face value of ₹ 10 each of Taraashna Financial Services Limited~	–	–	–	–	–	–	–	8,510.24	8,510.24
11,34,00,000 (March 31, 2022 : 10,00,00,000) equity shares of face value of ₹ 10 each of Satin Housing Finance Limited	–	–	33,568.03	33,568.03	–	–	–	10,000.00	10,000.00
14,05,14,859 (March 31, 2022 : 10,25,00,000) equity shares of face value of ₹ 10 each of Satin Finserv Limited~	–	–	34,407.88	34,407.88	–	–	–	10,250.00	10,250.00
Others									
50,000 (March 31, 2022 : 50,000) equity shares of face value of ₹ 10 each of Alpha Micro Finance Consultants Private Limited#	–	–	–	–	–	–	–	–	–
Preferential instruments									
21,845 (March 31, 2022 : 21,845) Compulsory Convertible Preference Shares of face value of ₹ 10 each of Jay Kay Financial Technologies Private Limited	–	–	111.19	111.19	–	–	110.00	–	110.00
Pass through certificates	127.81	–	–	127.81	181.87	–	–	–	181.87
Security Receipts									
4,50,500 (March 31, 2022 : 4,50,500) security receipts in Prudent Trust 67/22 (Trust floated by Prudent ARC Limited)	–	3,276.02	–	3,276.02		4,505.00	–		4,505.00
7,35,250 (March 31, 2022 : Nil) security receipts in Prudent Trust 70/22 (Trust floated by Prudent ARC Limited)	–	5,354.41	–	5,354.41	–	–	–	–	–
Less: Provisions	–	(2,694.04)		(2,694.04)	–	–	–	–	–
Mutual funds									
Nil (March 31, 2022 : 294,091.70) units in Union Dynamic Bond Fund	–	–	–	–	–	–	59.24	–	59.24
Government securities									
500 (March 31, 2022 : 500), Government of India, Inscribed stock having face value ₹ 100 each	–	–	0.51	0.51	–	–	0.51	–	0.51
Total	**127.81**	**5,936.39**	**68,087.61**	**74,151.81**	**181.87**	**4,505.00**	**169.75**	**28,760.24**	**33,616.86**
(i) Investments in India	127.81	5,936.39	68,087.61	74,151.81	181.87	4,505.00	169.75	28,760.24	33,616.86
(ii) Investments outside India	–	–	–	–	–	–	–	–	–
Total	**127.81**	**5,936.39**	**68,087.61**	**74,151.81**	**181.87**	**4,505.00**	**169.75**	**28,760.24**	**33,616.86**

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

The Company has not entered in to any credit derivative to mitigate the credit risk (if any).

Name of Subsidiaries	Ownership Interest	
	As at March 31, 2023	As at March 31, 2022
Taraashna Financial Services Limited~	Nil	100%
Satin Housing Finance Limited	100%	100%
Satin Finserv Limited~	100%	100%

The Company has not entered in to any credit derivative to mitigate the credit risk (if any).

#Investment has been written off and therefore shown at zero value.

~The Board of Directors of Taraashna Financial Services Limited ("TFSL") and Satin Finserv Limited ("SFL"), in their respective meetings held on August 03, 2021, have considered and approved the Scheme of Arrangement for Amalgamation of TFSL ("Transferor Company") with SFL ("Transferee Company") and their respective shareholders and creditors ('Scheme') under Sections 230 to 232 of the Companies Act, 2013 ("Act") and other applicable provisions of the Act and rules made thereunder. Consequently, the first motion application was filed before Hon'ble National Company Law Tribunal ("NCLT"), Chandigarh Bench after obtaining requisite NOCs from shareholders and creditors of TFSL and SFL. The said first motion application was reserved and allowed by the said Hon'ble NCLT on hearing dated April 6, 2022. The said order was pronounced on hearing dated May 17, 2022 by Hon'ble NCLT. Both the companies filed joint second motion application with Hon'ble NCLT on May 25, 2022. The said joint second motion application was admitted by Hon'ble NCLT in its hearing dated July 08, 2022 and issued necessary directions of serving notices and newspapers advertisements. Both the companies have served the notices to government authorities and completed publication in requisite newspapers as per order. The Hon'ble NCLT vide its order dated January 31, 2023 has approved the scheme of amalgamation and the necessary form has been filed to the Registrar of Companies on March 1, 2023 which is considered as effective date.

*During the year ended March 31, 2023 the Company has changed its accounting policy for valuation of its investments in 3 wholly owned subsidiaries from cost basis to fair value through profit and loss (FVTPL) basis. The Company believes that this change to fair value through profit and loss (FVTPL) is preferable as it reflects value of the Company's investment on current market price basis and it is in sync with the cost of funds involved in it and charged to the statement of profit and loss account by the Company. Hence, it provides reliable and more relevant information to the users of financial statements about the Company's Value of Investment on an on-going basis. In accordance with Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors, this change in accounting policy is required to be retrospectively applied to all prior periods presented, unless impracticable to do so. The same has been explored as per below mentioned fact -

Significant assumptions and estimations are involved in the fair valuation of the investments, considering the fact that March 31, 2021 was covid impacted year, when the economic conditions were uncertain, it is not possible for the management to accurately consider the assumptions and estimates in the valuation of investments for that prior period without the use of hindsight. Use of hindsight is not the intention of Ind AS 8. Hence, it is not practicable for the management to calculate the fair valuation of investments for the prior periods.

In view of above, one of the conditions, as given in Ind AS 8, for impracticability is satisfied, hence entity qualifies for the exemption of retrospective application. Therefore, in view of above the change in accounting policy is made effective on a prospective basis from the year ended March 31, 2023. Following is the impact .i.e. increase/decrease of the said change in policy on each item of statement of profit and loss for the year ended March 31, 2023 :

Particulars	Amount (₹ in Lakhs)
Increase in profit before tax	35,215.77
Increase in deferred tax charge	8,057.37
Increase in profit after tax	27,158.40
Increase in EPS – Basic	34.72
Increase in EPS – Diluted	33.19

Following is the impact .i.e. increase/decrease of the said change in policy on each item of Balance Sheet as on March 31, 2023 :

Particulars	Amount (₹ in Lakhs)
Increase in value of investment in subsidiaries	35,215.77
Increase in Deferred Tax Liability	8,057.37

Notes to the Standalone Financial Statements
for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Note 10 : Other financial assets

Particulars	As at March 31, 2023	As at March 31, 2022
Security deposits	208.43	206.56
Staff advances	60.48	46.23
Insurance recoverable	401.97	482.87
Amount receivable against Mudra Interest Subvention Scheme	–	9.75
Other recoverable	971.21	1,363.87
	1,642.09	**2,109.28**
Less: Impairment loss allowance	(35.40)	(4.14)
Total	**1,606.69**	**2,105.14**

Note 11 : Current tax assets (net)

Particulars	As at March 31, 2023	As at March 31, 2022
Advance income - tax (net)	3,321.63	–
Total	**3,321.63**	**–**

Note 12 : Deferred tax assets/(liabilities) (net)

Particulars	As at March 31, 2023	As at March 31, 2022
(A) Deferred tax assets		
Provision for employee benefits	177.11	193.83
Difference in written down value as per Companies Act and Income Tax Act	189.62	200.57
Impairment loss allowance on Security Receipts	678.04	–
Loss on Security Receipts through other comprehensive income	687.49	–
Impairment loss allowance and first loss default guarantee	3,281.00	9,101.61
Liability against leases	293.25	126.07
Carry Forward Losses	7,849.35	–
Total deferred tax assets	**13,155.86**	**9,622.08**
(B) Deferred tax liabilities		
Financial liabilities measured at amortised cost	(2.30)	8.35
Financial assets measured at amortised cost	560.22	296.78
Fair valuation of financial instruments through profit and loss	8,057.37	–
Fair valuation of loan assets through other comprehensive income	384.54	323.31
Cash flow hedge reserve	–	–
Right of use assets	287.73	103.58
Deferment of excess interest spread	4,113.94	2,078.86
Total deferred tax liabilities	**13,401.50**	**2,810.88**
Net deferred tax assets/(liabilities)	**(245.64)**	**6,811.20**

(i) Movement in deferred tax assets/(liabilities) (net)

Particulars	As at March 31, 2022	(Charged)/ credited to statement of profit and loss	(Charged)/ credited to other comprehensive income	As at March 31, 2023
Assets				
Provision for employee benefits	193.83	(711.68)	694.96	177.11
Difference in written down value as per Companies Act and Income Tax Act	200.57	(10.95)	–	189.62
Impairment loss allowance on Security Receipts	–	678.04	–	678.04
Loss on Security Receipts through other comprehensive income	–	687.49	–	687.49
Impairment loss allowance and first loss default guarantee	9,101.61	(5,820.61)	–	3,281.00

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2022	(Charged)/ credited to statement of profit and loss	(Charged)/ credited to other comprehensive income	As at March 31, 2023
Liability against leases	126.07	167.18	–	293.25
Carry Forward Losses	–	7,849.35	–	7,849.35
Liabilities				
Financial liabilities measured at amortised cost	8.35	(10.65)	–	(2.30)
Financial assets measured at amortised cost	296.78	263.44	–	560.22
Fair valuation of financial instruments through profit and loss	–	8,057.37	–	8,057.37
Fair valuation of loan assets through other comprehensive income	323.31	–	61.24	384.54
Cash flow hedge reserve	–	6.92	(6.92)	–
Right of use assets	103.58	184.15	–	287.73
Deferment of excess interest spread	2,078.86	2,035.08	–	4,113.94
Total (net)	**6,811.20**	**(7,697.49)**	**640.64**	**(245.64)**

Particulars	As at March 31, 2021	(Charged)/ credited to statement of profit and loss	(Charged)/ credited to other comprehensive income	As at March 31, 2022
Assets				
Provision for employee benefits	314.09	(117.01)	(3.25)	193.83
Difference in written down value as per Companies Act and Income Tax Act	202.94	(2.37)	–	200.57
Impairment loss allowance and first loss default guarantee	7,798.47	1,303.14	–	9,101.61
Liability against leases	166.04	(39.96)	–	126.07
Liabilities				
Financial liabilities measured at amortised cost	18.52	(10.17)	–	8.35
Financial assets measured at amortised cost	1.32	295.45	–	296.78
Fair valuation of loan assets through other comprehensive income	1,309.21	(0.00)	(985.90)	323.31
Right of use assets	146.35	(42.77)	–	103.58
Deferment of excess interest spread	2,396.28	(317.42)	–	2,078.86
Total (net)	**4,609.86**	**1,218.71**	**982.65**	**6,811.20**

Note 13 : Investment property

Particulars	As at March 31, 2023	As at March 31, 2022
A. Reconciliation of carrying amount (Cost or deemed cost)		
Opening balance	769.52	729.24
Additions during the year	–	40.28
Total	**769.52**	**769.52**
Accumulated depreciation		
Opening balance	71.26	35.51
Additions during the year	34.00	35.75
Total	**105.26**	**71.26**
Carrying amounts (Balance at date)	**664.26**	**698.26**
B. Amounts recognised in Statement of profit and loss for investment property		
Rental income	30.40	24.60
Less: Depreciation expense	34.00	35.75
Loss from investment property	**(3.60)**	**(11.15)**

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
C. Measurement of fair value		
Investment property	828.52	789.06
	828.52	**789.06**

The Company's investment properties consist of two residential properties in India. The fair values of the properties are ₹ 828.52 lakhs (March 31, 2022 : ₹ 789.06 lakhs). These valuations are based on valuations performed by an independent valuer, the valuer is a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017. Valuation techniques used by the valuer is fair market value.

The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

Note 14 : Property, plant and equipment

Gross carrying amount	Freehold land	Buildings (refer note (i))	Right of use (Leased building)	Right of use (Vehicle)	Computer equipment	Electric equipement	Office equipment	Furniture and fixtures	Vehicles (refer note (iii))	Total	Capital work in progress
Balance as at April 1, 2021	**1,518.37**	**3,931.53**	**1,291.76**	**–**	**2,962.21**	**817.30**	**757.89**	**1,843.42**	**241.27**	**13,363.75**	**364.96**
Additions	–	566.80	14.71	–	114.81	–	56.87	53.46	85.87	892.52	219.73
Adjustment on account of disposals	–	–	(19.44)	–	(558.23)	–	(108.30)	(149.64)	(63.50)	(899.11)	(566.80)
Balance as at March 31, 2022	**1,518.37**	**4,498.33**	**1,287.03**	**–**	**2,518.79**	**817.30**	**706.46**	**1,747.24**	**263.64**	**13,357.16**	**17.89**
Additions	–	17.89	1,177.33	80.69	527.22	–	57.83	46.18	86.55	1,993.69	–
Adjustment on account of disposals	–	–	(650.46)	–	(202.56)	–	(22.73)	(19.60)	(65.61)	(960.96)	(17.89)
Balance as at Mar 31, 2023	**1,518.37**	**4,516.22**	**1,813.90**	**80.69**	**2,843.45**	**817.30**	**741.56**	**1,773.82**	**284.58**	**14,389.89**	**–**
Accumulated depreciation											
Balance as at April 1, 2021	**–**	**377.59**	**710.88**	**–**	**2,264.08**	**29.62**	**516.06**	**941.65**	**139.50**	**4,979.38**	**–**
Depreciation charge for the year	–	175.86	175.77	–	376.88	144.69	117.02	236.76	39.99	1,266.97	–
Adjustment on account of disposals	–	–	(11.19)	–	(516.03)	–	(101.13)	(119.69)	(42.49)	(790.53)	–
Balance as at March 31, 2022	**–**	**553.45**	**875.46**	**–**	**2,124.93**	**174.31**	**531.95**	**1,058.72**	**137.00**	**5,455.82**	**–**
Depreciation charge for the year	–	193.88	506.91	6.14	373.25	116.25	86.62	182.50	53.43	1,518.98	–
Adjustment on account of disposals	–	–	(637.17)	–	(186.95)	–	(20.97)	(15.59)	(53.22)	(913.90)	–
Balance as at Mar 31, 2023	**–**	**747.33**	**745.20**	**6.14**	**2,311.23**	**290.56**	**597.60**	**1,225.63**	**137.21**	**6,060.90**	**–**
Net carrying amount											
Balance as at March 31, 2022	**1,518.37**	**3,944.88**	**411.57**	**–**	**393.86**	**642.99**	**174.51**	**688.52**	**126.64**	**7,901.34**	**17.89**
Balance as at Mar 31, 2023	**1,518.37**	**3,768.89**	**1,068.70**	**74.55**	**532.22**	**526.74**	**143.96**	**548.19**	**147.37**	**8,328.99**	**–**

Notes:

(i) Details of property not held in the name of the company

Particluars	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is promoter, director or relative of promoter / director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the company
Property, plant & equipment	Buildings	292.00	Satin Intellicomm Limited	No	March 29, 2007	Buildings acquired under amalgamation. Transfer formalities are yet to be completed.

(ii) For disclosure of contractual commitments to be executed on capital account, refer note 52.

(iii) Vehicles are taken on finance lease; monthly installments are paid as per agreed terms and conditions.

(iv) Property, plant and equipment have been mortgaged/pledged as security for borrowings, refer note 53.

Notes to the Standalone Financial Statements
for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

(v) Capital work in progress ageing schedule.

Capital Work in Progress	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress					
As at March 31, 2023	**–**	**–**	**–**	**–**	**–**
As at March 31, 2022	**17.89**	**–**	**–**	**–**	**17.89**

Note 15 : Other intangible assets

Gross carrying amount	Computer software	Total
Balance as at April 1, 2021	**1,239.29**	**1,239.29**
Additions		
- Additions – being internally developed	–	–
- Additions – others	–	–
Adjustment on account of disposals	–	–
Balance as at March 31, 2022	**1,239.29**	**1,239.29**
Additions		
- Additions – being internally developed	–	–
- Additions – others	–	–
Adjustment on account of disposals	(65.40)	(65.40)
Balance as at Mar 31, 2023	**1,173.89**	**1,173.89**
Accumulated amortisation		
Balance as at April 1, 2021	**950.50**	**950.50**
Amortisation charge for the year	76.08	76.08
Adjustment on account of disposals	–	–
Balance as at March 31, 2022	**1,026.58**	**1,026.58**
Amortisation charge for the year	67.28	67.28
Adjustment on account of disposals	(64.63)	(64.63)
Balance as at Mar 31, 2023	**1,029.23**	**1,029.23**
Net block		
Balance as at March 31, 2022	**212.71**	**212.71**
Balance as at Mar 31, 2023	**144.66**	**144.66**

Note 16 : Other non-financial assets

Particulars	As at March 31, 2023	As at March 31, 2022
Prepaid expenses	1,446.82	1,035.02
Balances with government authorities	51.10	147.70
Gratuity fund assets (refer note 48)	86.69	–
Other assets	967.61	2,356.50
Total	**2,552.22**	**3,539.22**

Note 17 : Trade payables

Particulars	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro enterprises and small enterprises (refer to note 59)	–	–
Total outstanding dues of creditors other than micro enterprises and small enterprises	198.23	1,049.81
Total	**198.23**	**1,049.81**

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	–	–	–	–	–	–
(ii) Others	198.23	–	–	–	–	198.23
(iii) Disputed dues – MSME	–	–	–	–	–	–
(iv)Disputed dues - Others	–	–	–	–	–	–
As at March 31, 2023	**198.23**	**–**	**–**	**–**	**–**	**198.23**

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	–	–	–	–	–	–
(ii) Others	1,049.81	–	–	–	–	1,049.81
(iii) Disputed dues – MSME	–	–	–	–	–	–
(iv)Disputed dues - Others	–	–	–	–	–	–
As at March 31, 2022	**1,049.81**	**–**	**–**	**–**	**–**	**1,049.81**

Note 18 : Other payables

Particulars	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro enterprises and small enterprises (refer to note 59)	23.87	172.02
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,125.93	1,371.54
Total	**1,149.80**	**1,543.56**

Note 19 : Debt securities (at amortised cost)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-convertible debentures	109,144.08	118,743.75
Total	**109,144.08**	**118,743.75**
Debt securities in India	109,144.08	118,743.75
Debt securities outside India	–	–
Total	**109,144.08**	**118,743.75**

Particulars	Terms of repayment	As at March 31, 2023	As at March 31, 2022
(A) Non-convertible debentures (secured)			
1 Nil (March 31, 2022: 1500) @Nil (Previous year: 10.30%), Secured, Partially Guaranteed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Non-Convertible Debentures of face value of ₹ Nil (March 31, 2022: ₹ 2,50,000 each). The date of allotment is December 31, 2020. (Secured by way of hypothecation of book debt which shall be maintained at 110% of entire redemption amount of the debentures outstanding)	Redeemable ₹ 3,750 Lakhs on October 02, 2021, ₹ 3,750 Lakhs on December 31, 2021, ₹ 3,750 Lakhs March 31, 2022 and ₹ 3,750 Lakhs on June 30, 2022 and frequency of Interest payment is quarterly.	–	3,737.51

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

	Particulars	Terms of repayment	As at March 31, 2023	As at March 31, 2022
2	Nil (March 31, 2022: 250) @Nil (Previous year: 10.25%), Secured, Senior, Rated, Listed, Fully paid-up, Redeemable, Taxable, Transferable, Non-Convertible Debentures of face value of ₹ Nil (March 31, 2022: ₹ 10,00,000 each). The date of allotment is October 13, 2020. (Secured by way of hypothecation of book debt which shall be maintained at 110% of principal amount of the debentures outstanding.)	Redeemable at par on April 13, 2022 and frequency of Interest payment is half yearly.	–	2,499.89
3	9,750 (March 31, 2022: 9,750) @10.50% (Previous year: 10.50%), Secured, Not Guaranteed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Non-Convertible Debentures of face value of ₹ 5 each (March 31, 2022: ₹ 50,000 each) The date of allotment is December 16, 2020. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding)	Redeemable at par ₹ 4,874.51 Lakhs (99.99%) on May 6, 2022 and rest ₹ 0.49 Lakhs (.01%) on May 6, 2024 and frequency of Interest payment is half yearly.	0.49	4,841.08
4	Nil (March 31, 2022: 250) @Nil (Previous year: 10.40%), Secured, Partially Guaranteed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Non-Convertible Debentures of face value of ₹ Nil (March 31, 2022: ₹ 10,00,000 each). The date of allotment is November 9, 2020. (Secured by way of hypothecation of book debt which shall be maintained at 110% of principal amount of the debentures outstanding.)	Redeemable at par on May 9, 2022 and frequency of Interest payment is annually.	–	2,498.80
5	Nil (March 31, 2022: 500) @Nil (Previous year: 10.20%), Secured, Guaranteed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Non-Convertible Debentures of face value of ₹ Nil (March 31, 2022: ₹ 10,00,000 each). The date of allotment is December 10, 2020. (Secured by way of hypothecation of book debt which shall be maintained at 125% of principal amount of the debentures outstanding)	Redeemable at par on June 10, 2022 and frequency of Interest payment is annually.	–	4,997.81
6	Nil (March 31, 2022: 650), @Nil (Previous year : 12.06%), Secured, Not Guaranteed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Non-Convertible Debentures of face value of ₹ Nil (March 31, 2022: ₹ 10,00,000 each). The date of allotment is October 3, 2017. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding)	Redeemable on October 3, 2022 and frequency of Interest payment is half yearly.	–	6,499.11
7	600 (March 31, 2022: 600) @11.50% (Previous year: 11.50%), Secured, Not Guaranteed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Non-Convertible Debentures of face value of ₹ 10,00,000 each (March 31, 2022: ₹ 10,00,000 each). The date of allotment is October 23, 2020. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding with exclusivity on security interest)	Redeemable ₹ 1,500 Lakhs (25%) on April 24, 2023, ₹ 1,500 Lakhs (25%) on October 24, 2023 rest ₹ 3,000 Lakhs (50%) on 23 April, 2024 and frequency of Interest payment is half yearly.	5,998.72	5,997.46

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

	Particulars	Terms of repayment	As at March 31, 2023	As at March 31, 2022
8	18,750 (March 31, 2022: 18,750) @11.10% (Previous year: 11.10%), Secured, Not Guaranteed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Non-Convertible Debentures of face value of ₹ 1,00,000 each (March 31, 2022: ₹ 1,00,000 each). The date of allotment is December 22, 2020. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding)	Redeemable ₹ 18,748.13 Lakhs (99.99%) on June 05, 2023 and rest ₹ 1.87 Lakhs (.01%) on June 05, 2025 and frequency of Interest payment is half yearly.	18,640.21	18,598.95
9	250 (March 31, 2022: 250) @11.25% (Previous year: 11.25%), Secured, Not Guaranteed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Non-Convertible Debentures of face value of ₹ 10,00,000 each (March 31, 2022: ₹ 10,00,000 each). The date of allotment is June 30, 2020. (Secured by way of hypothecation of book debt which shall be maintained at 110% of principal amount of the debentures outstanding)	Redeemable at par on June 30, 2023 and frequency of Interest payment is annually.	2,498.79	2,492.92
10	200 (March 31, 2022: 200), @12.75% (Previous year : 12.75%), Secured, Rated, Listed, Redeemable, Transferable, Non-Convertible Debentures of face value of ₹ 25,00,000 each (March 31, 2022: ₹ 25,00,000 each). The date of allotment is July 15, 2014 and roll over date is July 15, 2020. (Secured by way of hypothecation of book debts which shall be maintained at 110% of principal amount of the debentures outstanding)	Redeemable at par on June 30, 2023 (rolled over on July 15, 2020) and frequency of Interest payment is half yearly.	4,999.78	4,998.88
11	250 (March 31, 2022: 250) @11.00% (Previous year: 11.00%), Secured, Not Guaranteed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Non-Convertible Debentures of face value of ₹ 10,00,000 each (March 31, 2022: ₹ 10,00,000 each). The date of allotment is July 28, 2020. (Secured by way of hypothecation of book debt which shall be maintained at 110% of principal amount of the debentures outstanding and interest accrued)	Redeemable at par on July 28, 2023 and frequency of Interest payment is quarterly.	2,495.86	2,481.33
12	250 (March 31, 2022: 250) @10.95% (Previous year: 10.95%), Secured, Not Guaranteed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Non-Convertible Debentures of face value of ₹ 3,33,333.34 each (March 31, 2022: ₹ 6,66,667 each). The date of allotment is July 31, 2020. (Secured by way of hypothecation of book debt which shall be maintained at 110% of principal amount of the debentures outstanding)	Redeemable at par on July 31, 2023 and frequency of Interest payment is half yearly.	830.73	1,655.20
13	970 (March 31, 2022: 970), @11.40% (Previous year : 11.40%), Secured, Rated, Listed, Redeemable, Non-Convertible Debentures of face value of ₹ 10,00,000 each (March 31, 2022: ₹ 10,00,000 each). The date of allotment is July 31, 2018 and roll over date is July 27, 2021. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding)	Redeemable on July 31, 2023 and frequency of Interest payment is half yearly.	9,699.54	9,697.78

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Terms of repayment	As at March 31, 2023	As at March 31, 2022
14 1,200 (March 31, 2022: 1,200), @11.45% (Previous year: 11.45%), Secured, Not Guaranteed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Non-Convertible Debentures of face value of ₹ 2,50,000 each (March 31, 2022: ₹ 7,50,000 each). The date of allotment is September 27, 2019. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding)	Redeemable at par on September 27, 2023 and frequency of Interest payment is half yearly.	2,999.18	8,997.29
15 2,130 (March 31, 2022: 2,130), @11.095% (Previous year : 11.095%), Secured, Not Guarnateed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Non-Convertible Debentures of face value of ₹ 2,85,714.29 each (March 31, 2022: ₹ 5,71,428.58 each). The date of allotment is December 14, 2018. (Secured by way of hypothecation of book debts which shall be maintained at 100% of principal amount and coupon of the debentures outstanding)	Redeemable on December 14, 2023 and frequency of Interest payment is half yearly.	6,043.57	12,062.97
16 680 (March 31, 2022: 680), @12.00% (Previous year : 11.70%), Secured, Rated, Listed, Redeemable, Non-Convertible Debentures of face value of ₹ 10,00,000 each (March 31, 2022: ₹ 10,00,000 each). The date of allotment is June 15, 2016 and roll over date is June 2, 2022. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding)	Redeemable at par on June 15, 2025 (subject to put option, Exercise Date is June 15, 2024) and frequency of Interest payment is half yearly.	6,800.00	6,799.96
17 19,250 (March 31, 2022: Nil) @11.15% (Previous year: Nil), Secured, Rated, Unlisted, Redeemable, Transferable, Non-Convertible Debentures of face value of ₹ 50,000 each (March 31, 2022: Nil). The date of allotment is June 24, 2022. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding)	Redeemable ₹ 9,624.03 Lakhs (99.99%) on June 24, 2025 and rest ₹ 0.96 Lakhs (.01%) on June 24, 2027 and frequency of Interest payment is half yearly.	9,496.47	–
18 2,060 (March 31, 2022: Nil) @11.6880% (Previous year: Nil), Unlisted, Rated, Secured, Redeemable, Non-Convertible Debentures of face value of ₹ 1,00,000 each (March 31, 2022: Nil). The date of allotment is February 24, 2023. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding)	Redeemable at par on February 24, 2026 and frequency of Interest payment is Quarterly.	2,037.57	–
19 750 (March 31, 2022: 750), @11.7702% (Previous year: 11.7702%), Secured, Rated, Listed, Redeemable, Transferable, Non-Convertible Debentures of face value of ₹ 10,00,000 each (March 31, 2022: ₹ 10,00,000 each). The date of allotment is March 7, 2022. (Secured by way of hypothecation of book debt which shall be maintained at 105% of principal amount of the debentures outstanding and interest accrued)	Redeemable at par on March 6, 2026 and frequency of Interest payment is half yearly.	7,475.60	7,467.13

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for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Terms of repayment	As at March 31, 2023	As at March 31, 2022
20 300 (March 31, 2022: 300), @11.7702% (Previous year: 11.7702%), Secured, Rated, Listed, Redeemable, Transferable, Non-Convertible Debentures of face value of ₹ 10,00,000 each (March 31, 2022: ₹ 10,00,000 each). The date of allotment is March 30, 2022. (Secured by way of hypothecation of book debt which shall be maintained at 105% of principal amount of the debentures outstanding and interest accrued)	Redeemable at par on March 30, 2026 and frequency of Interest payment is half yearly.	2,997.53	2,996.69
21 373 (March 31, 2022: 373), @11.5000% (Previous year: 11.5000%), Secured, Rated, Listed, Redeemable, Transferable, Non-Convertible Debentures of face value of ₹ 10,00,000 each ((March 31, 2022: ₹ 10,00,000 each). The date of allotment is September 2, 2021. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding and interest accrued)	Redeemable at par on September 2, 2026 (Subject to Call Put Option is exercised on August 30, 2024 and frequency of Interest payment is half yearly.	3,727.82	3,726.25
22 2,500 (March 31, 2022: Nil), @12.3000% (Previous year: Nil), Secured, Rated, Listed, Redeemable, Transferable, Non-Convertible Debentures of face value of ₹ 1,00,000 each (March 31, 2022: ₹ Nil). The date of allotment is January 16, 2023. (Secured by way of hypothecation of book debt which shall be maintained at 105% of principal amount of the debentures outstanding and interest accrued)	Redeemable at par on January 16, 2027 and frequency of Interest payment is half yearly.	2,496.89	–
23 7,840 (March 31, 2022: Nil) @11.7160% (Previous year: Nil) Previous year, Unlisted, Rated, Secured, Redeemable, Non-Convertible Debentures of face value of ₹ 1,00,000 each (March 31, 2022: Nil). The date of allotment is March 13, 2023. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding)	Redeemable at par on March 12, 2027 and frequency of Interest payment is Quarterly.	7,756.64	–
24 650 (March 31, 2022: Nil), @12.1500% (Previous year: Nil), Secured, Rated, Listed, Redeemable, Transferable, Non-Convertible Debentures of face value of ₹ 10,00,000 each (March 31, 2022: ₹ Nil). The date of allotment is December 12, 2022. (Secured by way of hypothecation of book debt which shall be maintained at 105% of principal amount of the debentures outstanding and interest accrued)	Redeemable at par on December 12, 2027 (subject to call put option is exercised on December 12, 2025) and frequency of Interest payment is half yearly.	6,451.38	–
Total (A)		**103,446.77**	**113,047.01**
(B) Non convertible debentures (unsecured)			
1 570 (March 31, 2022: 570), @11.50%, (Previous year: 11.50%) Unsecured, Senior, Rated, Unlisted, Redeemable,Transferable, Non Convertible Debentures of face value of ₹ 10,00,000 each (March 31, 2022: ₹ 10,00,000 each). The date of allotment is February 28, 2022.	Redeemable at par on February 28, 2028 (subject to put & call options, Exercise Date is February 28, 2024 and February 28, 2025, respectively), frequency of Interest payment is half yearly.	5,697.31	5,696.74
Total (B)		**5,697.31**	**5,696.74**
Total (A+B)		**109,144.08**	**118,743.75**

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Note 20 : Borrowings (other than debt securities) (at amortised cost)

Particulars	As at March 31, 2023	As at March 31, 2022
Term loans		
From banks		
Secured*	178,611.44	200,853.59
From other parties		
Secured#	65,167.07	78,493.77
Overdraft facility against term deposits		
From banks - secured	–	19,418.55
External commercial borrowings		
Secured	21,285.26	12,219.06
Unsecured	19,613.23	18,282.83
Commercial paper (unsecured)	–	2,441.29
Liability against securitised assets (secured)	114,564.33	50,294.24
Liability against leased assets (unsecured)	1,236.37	500.93
Total	**400,477.70**	**382,504.26**
Borrowings in India	359,579.21	352,002.37
Borrowings outside India	40,898.49	30,501.89
Total	**400,477.70**	**382,504.26**

*Includes amount guaranteed by directors in their personal capacity of ₹ 75,799.94 (March 31, 2022 : ₹ 96,573.43)

#Includes amount guaranteed by directors in their personal capacity of ₹ 45,762.81 (March 31, 2022 : ₹ 42,996.67)

Note 21 : Subordinated liabilities (at amortised cost)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-convertible debentures (refer note A)	12,626.25	19,204.80
Term loans from banks	22,500.00	25,500.00
External commercial borrowings	–	329.93
Total	**35,126.25**	**45,034.73**
Subordinated liabilities in India	35,126.25	44,704.80
Subordinated liabilities outside India	–	329.93
Total	**35,126.25**	**45,034.73**

	Particulars	Terms of repayment	As at March 31, 2023	As at March 31, 2022
A	**Non convertible debentures (unsecured)**			
1	Nil (March 31, 2022: 250), @Nil (Previous year: 15.50%), Unsecured, Rated, Subordinated, Redeemable, Non-Convertible Debentures of face value of ₹ Nil (March 31, 2022:₹10,00,000 each). The date of allotment is December 30, 2015.	Redeemable on April 15, 2022 and frequency of Interest payment is quarterly.	–	2,499.98
2	Nil (March 31, 2022: 100), @Nil (Previous year: 15.50%), Unsecured, Rated, Unlisted, Redeemable, Subordinated, Non-Convertible Debentures of face value of ₹ Nil (March 31, 2022: ₹ 10,00,000 each). The date of allotment is June 28, 2016.	Redeemable on September 28, 2022 and frequency of Interest payment is monthly.	–	998.69
3	Nil (March 31, 2022: 100), @Nil (Previous year: 15.00%), Unsecured, Rated, Unlisted, Redeemable, Subordinated, Non-Convertible Debentures of face value of ₹ Nil (March 31, 2022:₹10,00,000 each). The date of allotment is June 29, 2016.	Redeemable on March 31, 2023 and frequency of Interest payment is monthly.	–	1,070.25

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Terms of repayment	As at March 31, 2023	As at March 31, 2022
4 350 (March 31, 2022: 350), @13.85% (Previous year: 13.85%), Unsecured, Unrated, Unlisted, Redeemable, Subordinated, Non-Convertible Debentures of face value of ₹ 10,00,000 each (March 31, 2022: ₹ 10,00,000 each). The date of allotment is March 29, 2017.	Redeemable on April 30, 2023 and frequency of Interest payment is quarterly.	3,499.79	3,498.37
5 100 (March 31, 2022: 100), @15.00% (Previous year: 15.00%), Unsecured, Rated, Unlisted, Redeemable, Subordinated, Non-Convertible Debentures of face value of ₹ 38,795.83 each (March 31, 2022:₹10,00,000 each). The date of allotment is June 29, 2016.	Redeemable on June 30, 2023 and frequency of Interest payment is monthly.	36.25	1,070.25
6 100 (March 31, 2022: 100), @15.00% (Previous year: 15.00%), Unsecured, Rated, Unlisted, Redeemable, Subordinated, Non-Convertible Debentures of face value of ₹ 76,193.08 each (March 31, 2022: ₹ 10,00,000 each). The date of allotment is June 29, 2016.	Redeemable on September 30, 2023 and frequency of Interest payment is monthly.	73.65	1,070.25
7 100 (March 31, 2022: 100), @15.00% (Previous year: 15.00%), Unsecured, Rated, Unlisted, Redeemable, Subordinated, Non-Convertible Debentures of face value of ₹ 10,76,193.08 each (March 31, 2022: ₹ 10,00,000 each). The date of allotment is June 29, 2016.	Redeemable on December 31, 2023 and frequency of Interest payment is quarterly.	1,073.65	1,070.25
8 300 (March 31, 2022: 300), @15.50% (Previous year: 15.50%), Unsecured, Rated, Listed, Redeemable, Subordinated, Taxable, Transferable, Non-Convertible Debentures of face value of ₹ 10,00,000 each (March 31, 2022:₹10,00,000 each). The date of allotment is December 17, 2019.	Redeemable on December 31, 2026 and frequency of Interest payment is half yearly.	2,991.48	2,989.12
9 10,010 (March 31, 2022: 10,010), @ 13.14 % (Previous year: 13.14%), Unsecured, Rated, Unlisted, Redeemable, Subordinated, Taxable, Transferable, Non-Convertible Debentures of face value of ₹ 50,000 each (March 31, 2022: ₹ 50,000 each)., The date of allotment is March 24, 2020.	Redeemable on April 24, 2027 and frequency of Interest payment is half yearly.	4,951.43	4,937.64
Total		**12,626.25**	**19,204.80**

Reconciliation of liabilities arising from financing activities

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

Particulars	Debt securities	Borrowings (other than debt)	Subordinated liabilities	Liability against leased assets	Total
April 01, 2021	170,507.14	380,983.43	50,412.79	659.72	602,563.08
Cash flows:					
– Repayment	(81,783.71)	(310,460.73)	(5,369.41)	(220.70)	(397,834.55)
– Proceeds from overdraft facility	–	8,428.58	–	–	8,428.58
– Proceeds other than overdraft facility	29,630.00	302,591.32	–	–	332,221.32
	(52,153.71)	**559.17**	**(5,369.41)**	**(220.70)**	**(57,184.65)**
Non cash:					
– Addition during the year	–	–	–	14.71	14.71
– Foreign exchange	–	418.11	(50.19)	–	367.92
– Amortisation of upfront fees and others	435.00	1,493.82	41.54	–	1,970.36
– Deferment of upfront processing fee	(44.68)	(1,451.20)	–	–	(1,495.88)
– Others	–	–	–	47.20	47.20
March 31, 2022	**118,743.75**	**382,003.33**	**45,034.73**	**500.93**	**546,282.74**

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Debt securities	Borrowings (other than debt)	Subordinated liabilities	Liability against leased assets	Total
Cash flows:					
– Repayment	(38,043.56)	(361,454.70)	(9,890.93)	(615.42)	(410,004.61)
– Proceeds from overdraft facility	–	(19,418.55)	–	–	(19,418.55)
– Proceeds other than overdraft facility	28,525.00	397,979.02	–	73.83	426,577.85
	(9,518.56)	**17,105.77**	**(9,890.93)**	**(541.59)**	**(2,845.31)**
Non cash:					
– Addition during the year	–	–	–	1,177.33	1,177.33
– Foreign exchange	–	593.54	(53.08)	–	540.46
– Amortisation of upfront fees and others	234.57	1,378.98	35.53	–	1,649.08
– Deferment of upfront processing fee	(315.68)	(1,840.29)	–	–	(2,155.97)
– Others	–	–	–	99.70	99.70
As at March 31, 2023	**109,144.08**	**399,241.33**	**35,126.25**	**1,236.37**	**544,748.03**

Notes:

i) The Borrowings together with debt securities and subordinate liabilities referred in notes 19, 20 and 21 are secured by way hypothecation of portfolio loans arising out of its business operations, cash collateral in the form of fixed deposits.

ii) Vehicles and building are hypothecated for respective borrowings availed for purchase of property plant and equipment's.

Terms of repayment of debt securities, other borrowings and subordinated liabilities as on March 31, 2023 are as follows:#

Repayment	Interest rate range	Due within 1 year		Due within 1 to 2 years		Due within 2 to 3 years		Due within 3 to 4 years		Due after 4 years		Total Amount
		No. of instalments	Amount	No. of instalments	Amount	No. of instalments	Amount	No. of instalments	Amount	No. of instalments	Amount	
Monthly	Below 9.00%	209	6,298.02	165	1,697.70	112	28.10	84	23.27	15	3.62	8,050.71
	9% to 12%	4,323	151,467.68	2,024	49,488.30	726	1,537.94	127	82.37	73	86.74	202,663.03
	12.01% to 15%	208	21,707.61	146	15,769.85	5	583.33	–	–	–	–	38,060.79
	Above 15%	42	437.50	–	–	–	–	–	–	–	–	437.50
Quarterly	Below 9.00%	3	321.43	4	428.57	–	–	–	–	–	–	750.00
	9% to 12%	55	52,263.03	31	28,070.09	12	10,591.51	4	2,466.51	11	6,782.89	100,174.03
	12.01% to 15%	21	11,937.50	9	6,500.00	2	500.00	–	–	–	–	18,937.50
	Above 15%	–	–	–	–	–	–	–	–	–	–	–
Semi-annually	Below 9.00%	2	2,671.50	2	2,671.50	–	–	–	–	–	–	5,343.00
	9% to 12%	8	8,685.71	3	1,000.00	–	–	–	–	–	–	9,685.71
	12.01% to 15%	–	–	–	–	–	–	–	–	–	–	–
	Above 15%	–	–	–	–	2	1,500.00	2	1,500.00	–	–	3,000.00
Annually	9% to 12%	1	833.33	–	–	–	–	–	–	–	–	833.33
Bullet	Below 9.00%	1	2,500.00	1	4,110.85	–	–	–	–	–	–	6,610.85
	9% to 12%	8	19,600.00	–	–	–	–	2	12,332.54	–	–	31,932.54
	12.01% to 15%	13	25,091.18	2	10,530.00	4	35,959.52	2	10,340.00	–	–	81,920.70
	Above 15%	1	2,500.00	–	–	–	–	–	–	–	–	2,500.00
On demand	9% to 12%	2	18,748.13	2	0.49	4	9,625.91	–	–	2	0.96	28,375.49
	12.01% to 15%	3	6,000.00	2	4,875.00	5	13,629.50		–	2	0.50	24,505.00
Total		**4,900**	**331,062.61**	**2,391**	**125,142.34**	**872**	**73,955.81**	**221**	**26,744.69**	**103**	**6,874.71**	**563,780.17**

Terms of repayment of debt securities, other borrowings and subordinated liabilities as on March 31, 2022 are as follows:#

Repayment	Interest rate range	Due within 1 year		Due within 1 to 2 years		Due within 2 to 3 years		Due within 3 to 4 years		Due after 4 years		Total Amount
		No. of instalments	Amount	No. of instalments	Amount	No. of instalments	Amount	No. of instalments	Amount	No. of instalments	Amount	
Monthly	Below 9.00%	224	19,753.98	169	8,794.40	97	1,684.16	48	12.71	24	6.89	30,252.14
	9% to 12%	224	90,779.02	92	27,650.39	25	12,168.24	–	–	–	–	130,597.65
	12.01% to 15%	362	7,375.64	90	937.50	–	–	–	–	–	–	8,313.14
	Above 15%	–	–	–	–	–	–	–	–	–	–	–
Quarterly	Below 9.00%	10	5,300.00	2	500.00	–	–	–	–	–	–	5,800.00
	9% to 12%	55	48,800.12	36	33,851.71	5	6,310.61	–	–	–	–	88,962.44
	12.01% to 15%	10	2,277.33	3	1,000.00	–	–	–	–	–	–	3,277.33
	Above 15%	–	–	–	–	–	–	–	–	–	–	–
Semi-annually	Below 9.00%	2	2,671.50	2	2,671.50	2	2,671.50	–	–	–	–	8,014.50
	9% to 12%	17	20,435.71	8	8,685.71	3	1,000.00	–	–	–	–	30,121.42
	12.01% to 15%	–	–	–	–	–	–	–	–	–	–	–
	Above 15%	–	–	–	–	–	–	2	1,500.00	2	1,500.00	3,000.00

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for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Repayment	Interest rate range	Due within 1 year		Due within 1 to 2 years		Due within 2 to 3 years		Due within 3 to 4 years		Due after 4 years		Total Amount
		No. of instalments	Amount	No. of instalments	Amount	No. of instalments	Amount	No. of instalments	Amount	No. of instalments	Amount	
Annually	9% to 12%	1	833.33	1	833.33	–	–	–	–	–	–	1,666.66
Bullet	Below 9.00%	4	15,000.00	–	–	–	–	–	–	–	–	15,000.00
	9% to 12%	15	49,540.16	2	5,000.00	1	3,776.00	–	–	2	11,327.99	69,644.15
	12.01% to 15%	3	17,604.77	5	26,400.00	1	3,730.00	1	20,000.00	–	–	67,734.77
	Above 15%	3	6,500.00	–	–	–	–	–	–	–	–	6,500.00
On demand	Variable rates	6	40,293.06	5	24,748.13	4	4,875.49	7	13,631.37	2	0.50	83,548.55
Total		**936**	**327,164.62**	**415**	**141,072.67**	**138**	**36,216.00**	**58**	**35,144.08**	**30**	**12,835.38**	**552,432.75**

All the above mentioned repayments disclosed as per the contractual maturities of debt securities, borrowing other than debt securities and subordinate liabilities at gross carrying value.

Note 22 : Other financial liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Interest accrued on debt securities	2,936.78	3,443.57
Interest accrued on borrowings other than debt securities	1,602.28	1,643.47
Interest accrued on subordinated liabilities	419.68	460.45
Payable towards assignment/securitisation transactions	18,038.37	17,709.04
Margin money received from customers	–	104.97
First loss default guarantee	1,115.39	1,677.01
Payable to employees	1,118.13	747.68
Security deposit received	36.75	29.68
Insurance payables	22.97	418.27
Financial liability for corporate guarantee	244.18	167.24
Unclaimed amount of preference shares	8.26	8.26
Total	**25,542.79**	**26,409.64**

Note 23 : Current tax liabilities (net)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for tax (net)	–	100.06
Total	**–**	**100.06**

Note 24 : Provisions

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for gratuity (refer note 48)	–	2.90
Provision for compensation absences (refer note 48)	703.72	770.16
Provision for compassionate	0.13	2.78
Total	**703.85**	**775.84**

Note 25 : Other non-financial liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred income	–	2.03
Statutory dues payables	579.63	751.99
Total	**579.63**	**754.02**

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Note 26 : Equity share capital

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number	Amount	Number	Amount
A Authorised				
Equity share capital of face value of ₹ 10 each				
At the beginning of the year	105,000,000	10,500.00	95,000,000	9,500.00
Additions during the year	–	–	10,000,000	1,000.00
	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 year	75,143,893	7,514.39	72,066,977	7,206.70
Additions during the year	10,205,128	1,020.51	3,076,916	307.69
	85,349,021	**8,534.90**	**75,143,893**	**7,514.39**
C Issued and Paid-up				
Fully paid-up				
Equity share capital of face value of ₹ 10 each				
At the beginning of the year	75,018,997	7,501.90	52,038,194	5,203.82
Additions during the year	10,205,128	1,020.51	22,980,803	2,298.08
	85,224,125	**8,522.41**	**75,018,997**	**7,501.90**
Less: Amount recoverable from Satin Employees Welfare Trust	(482,946)	(48.29)	(482,946)	(48.29)
(Equity shares of ₹ 10 each allotted to the Satin Employees Welfare Trust)	84,741,179	8,474.12	74,536,051	7,453.61
Add: Forfeited shares (amount originally paid on 1,24,896 equity shares (March 31, 2022: 1,24,896 equity shares)	–	5.51	–	5.51
	84,741,179	**8,479.63**	**74,536,051**	**7,459.12**
D Reconciliation of number of equity shares outstanding at the beginning and at the end of the year				
Balance at the beginning of the year	75,018,997	7,501.90	72,020,477	6,702.49
Add: Call money received during the year	–	–	–	494.88
Add: Issued during the year	10,205,128	1,020.51	3,076,916	307.69
Less: Forfeited shares	–	–	78,396	3.16
	85,224,125	**8,522.41**	**75,018,997**	**7,501.90**
E Reconciliation of number of equity shares issued to Satin Employees Welfare Trust outstanding at the beginning and at the end of the year				
Balance at the beginning of the year	482,946	48.29	482,946	44.94
Add: Call money received during the year	–	–	–	3.35
	482,946	**48.29**	**482,946**	**48.29**

F During the current financial year, the Company has allotted 1,02,05,128 equity shares of face value of ₹ 10/- to Trishashna Holdings & Investments Private Ltd' (THIPL) (entity belonging to promoter group) and Florintree Ventures LLP (entity belonging to non-promoter group) pursuant to conversion of Fully Convertible Warrants of ₹ 10 each at issue price of ₹ 81.25 per warrant including premium of ₹ 71.25 per warrant.

G 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.

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

Name of shareholder	As at March 31, 2023		As at March 31, 2022	
	Number	%	Number	%
Trishashna Holdings & Investments Private Limited (THIPL)	31,579,692	37.05%	25,477,128	33.96%
Nordic Microfinance Initiative Fund III KS	4,663,136	5.47%	4,663,136	6.22%

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

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

i) On May 30, 2018, the Company had allotted 1,230,098 equity shares of ₹ 10 each on conversion of 1,230,098, 0.01% Optionally Convertible, Redeemable Preference Shares ("OCRPS") of face value of ₹ 10 each fully paid-up to Capital First Limited (entities belonging to non-promoter group).

ii) 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 ("OCCRPS") of face value of ₹ 10 each fully paid-up to IndusInd Bank Limited (entities belonging to non-promoter group).

J Shares reserved for issue under options

For details of shares reserved for issue under the Employee Stock Option Plan (ESOP), refer note 54.

K The information required to be disclosed that enables user of its financial statements to evaluate the its objectives, policies and process for managing capital is disclosed in note 45.

L Shareholdings of Promoters

Promoter Name	As at March 31, 2023		As at March 31, 2022		% Change during the year
	No. of Shares	% of Total Shares	No. of Shares	% of Total Shares	
Mrs. Anureet HP Singh	726,148	0.85%	726,148	0.97%	(0.12%)
Mr. Harbans Singh (deceased)	406,402	0.48%	406,402	0.54%	(0.06%)
Mr. Satvinder Singh	385,703	0.45%	385,703	0.51%	(0.06%)
Mrs. Neeti Singh	204,092	0.24%	204,092	0.27%	(0.03%)
Trishashna Holdings & Investments Private Limited	31,579,692	37.05%	25,477,128	33.96%	3.09%
Wisteria Holdings & Investments Private Limited	322,262	0.38%	322,262	0.43%	(0.05%)
Total	**33,624,299**	**39.45%**	**27,521,735**	**36.68%**	2.77%

Note 27 : Other equity

Particulars	As at March 31, 2023	As at March 31, 2022
Capital redemption reserve	2,777.00	2,777.00
Statutory reserve	16,057.47	10,770.89
General reserve	29.94	29.94
Securities premium	113,726.31	106,455.16
Retained earnings	48,663.24	27,539.10
Money received against share warrants	2,927.08	5,000.00
Other comprehensive income:		
Equity instruments through other comprehensive income	(2,049.12)	(5.00)
Changes in fair value of loan assets	760.13	578.06
Cash flow hedge reserve	–	20.56
Total	**182,892.05**	**153,165.71**

Nature and purpose of other reserve

Capital redemption reserve

The same had been created in accordance with provisions of the Companies Act 2013 on account of redemption of preference shares.

Statutory reserve

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

General reserve

The Management has transferred a portion of the net profit to general reserve before declaring dividend pursuant to the provision of erstwhile Companies Act.

Securities premium

Securities premium represents premium received on issue of shares. The amount is utilised in accordance with the provisions of the Companies Act 2013.

Money received against share warrants

During the last year, the Company had allotted Fully Convertible Warrants of ₹ 10 each at issue price of ₹ 81.25 per warrant including premium of ₹ 71.25 per warrant (25% of which was paid on allotment of warrant and 75% shall be payable at the time of exercising the warrants) on preferential basis to Trishashna Holdings & Investments Private Ltd (THIPL) (1,23,07,692 warrants) (entity belonging to promoter group) and Florintree Ventures LLP (1,23,07,692 warrants) (entity belonging to non-promoter group) on January 25, 2022. Out of the said warrants 1,02,05,128 warrants (61,02,564 warrants by THIPL and 41,02,564 warrants by Florintree Ventures LLP) have been converted during the year.

Equity instruments through other comprehensive income

This represents the cumulative gains and losses arising on the fair valuation of equity instruments measured at fair value through other comprehensive income.

Changes in fair value of loan assets

This represents the cumulative gains and losses arising on the fair valuation of loan assets classified under business model of hold and hold to collect and sell.

Cash flow hedge reserve

Cash flow hedge reserve is used to eliminate or reduce the exposure that arises from changes in the cash flows of a financial asset or liability (or other eligible exposure) due to changes in a particular risk, such as interest rate risk on a floating rate debt instrument.

Note 28 : Interest income

Particulars	For the year ended March 31, 2023			For the year ended March 31, 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
Interest income on portfolio loans	23,727.92	–	85,674.99	7,196.81	–	103,722.70
Interest income on deposits	4,376.39	–	–	4,382.21	–	–
Interest income on certificate of deposits and commercial papers	–	256.56	–	–	738.64	–
Interest income on unwinding of assigned portfolio	1,972.58	–	–	970.38	–	–
Sub total	**30,076.89**	**256.56**	**85,674.99**	**12,549.40**	**738.64**	**103,722.70**
Total interest income			**116,008.44**			**117,010.74**

Note 29 :Dividend income

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Dividend income	0.17	3.15
Total	**0.17**	**3.15**

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Note 30 : Rental income

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Rental income on building	117.41	110.71
Total	**117.41**	**110.71**

Note 31 : Fees and commission income

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Service fee and facilitation charges	1,741.05	468.02
Income from business correspondent operations*	399.15	1,920.67
Total	**2,140.20**	**2,388.69**

*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 year ended March 31, 2023	For the year ended March 31, 2022
Type of Services or service		
Income from business correspondent operations	399.15	1,920.67
Total revenue from contracts with customers	**399.15**	**1,920.67**
Geographical markets		
India	399.15	1,920.67
Outside India	–	–
Total revenue from contracts with customers	**399.15**	**1,920.67**
Timing of revenue recognition		
Services transferred at a point in time	–	–
Services transferred over time	399.15	1,920.67
Total revenue from contracts with customers	**399.15**	**1,920.67**

Particulars	As at March 31, 2023	As at March 31, 2022
Contract balances		
Trade receivable	40.97	124.53
Contract assets	825.64	2,250.84
Contract liabilities	–	–

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

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue as per Contract	399.15	1,920.67
Adjustments	–	–
Discount	–	–
Revenue from contract with customers	**399.15**	**1,920.67**

Note 32 : Net gain/(loss) on fair value changes

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(A) Net gain/(loss) on financial instruments measured at fair value through profit or loss		
– Investments		
Fair value gain on mutual funds	375.18	264.81
Gain on fair valuation of subsidiaries	35,215.77	–
Gain/(Loss) on fair valuation of other investments	1.19	–

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(B) Others		
– Derivatives	1,038.89	1,158.62
Total	**36,631.03**	**1,423.43**
Fair value changes		
– Realised	375.18	263.11
– Unrealised	36,255.85	1,160.32
Total	**36,631.03**	**1,423.43**

Note 33 : Net gain on derecognition of financial instruments

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Gain on sale of loan portfolio through assignment	20,964.37	4,954.65
Total	**20,964.37**	**4,954.65**

Note 34 : Other operating income

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Commitment and other charges	243.68	303.38
Total	**243.68**	**303.38**

Note 35 : Other income

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Net gain on derecognition of property, plant and equipment	2.95	–
Net gain on termination of leases	7.59	7.78
Corporate guarantee premium income	38.64	15.56
Total	**49.18**	**23.34**

Note 36 : Finance costs (on financial liabilities measured at amortised cost)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest on borrowings (other than debt securities)	38,029.28	34,568.25
Interest on debt securities	12,625.36	18,443.01
Interest on subordinated liabilities*	5,571.18	6,637.98
Interest expense for leasing arrangements	120.58	63.82
Other interest expenses	886.99	737.77
Bank charges	369.08	190.36
Total	**57,602.47**	**60,641.19**

* This includes dividend on Cumulative, Non-Participative, Non Convertible, Compulsorily Redeemable Preference Shares of ₹ Nil (March 31. 2022 : ₹ 20.31 Lakhs) paid during the year along with redemption of the same.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

37 : Impairment on financial instruments

Particulars	For the year ended March 31, 2023		For the year ended March 31, 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
Loans written off	–	59,469.91	–	11,810.92
Impairment loss allowance on other receivable	25.37	–	3.61	–
Impairment allowance on loans	204.20	(19,469.97)	139.99	5,587.91
Total	**229.57**	**39,999.94**	**143.60**	**17,398.83**

Note 38 : Employee benefits expenses

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries, wages and bonus	28,859.47	29,144.74
Contribution to provident and other funds	2,422.02	2,898.84
Staff welfare expenses	350.08	398.43
Total	**31,631.57**	**32,442.01**

Note 39 : Depreciation and amortisation

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation on property, plant and equipment	1,005.94	1,091.19
Depreciation on right-of-use assets	513.05	175.77
Depreciation on investment property	34.00	35.75
Amortisation of intangible assets	67.28	76.08
Total	**1,620.27**	**1,378.79**

Note 40 : Other expenses

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Travelling and conveyance	2,142.96	505.21
Legal and professional charges	1,683.65	1,620.86
Insurance	362.38	475.42
Rent	1,205.91	1,475.64
Auditor's fee and expenses*	40.94	37.41
Rates and taxes	44.82	31.15
Repairs and maintenance	691.31	550.07
Director's fees, allowances and expenses	82.91	60.06
Documentation charges	347.09	127.34
Corporate social responsibility#	175.45	334.51
Net loss on derecognition of property, plant and equipment	–	22.78
Property, plant and equipment written off	6.01	39.14
Printing and stationery	470.97	347.53
Communication costs	400.90	427.65
(Write back)/write off against first loss default guarantee	(31.76)	(15.79)
First loss default guarantee (reversal)/expenses	(561.63)	(364.27)

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Advertisement and publicity	230.85	99.23
Cash embezzlement	119.92	102.78
Other administrative expenses	2,159.65	1,573.29
Miscellaneous expenses	1,398.29	827.63
Total	**10,970.62**	**8,277.64**

*** Remuneration to auditors comprises of (excluding applicable taxes):**

As auditors	35.50	31.00
Other services	1.26	5.52
Reimbursement of expenses	4.18	0.89
	40.94	**37.41**

 # Corporate social responsibility expenses

The Company's expenses towards Corporate Social Responsibility (CSR) activities as follows:

	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
a)	Amount required to be spent during the year	175.45	334.51
b)	Amount of expenditure incurred*	175.45	153.30
c)	Shortfall/(excess) at the end of the year	–	181.21
d)	Total of previous years shortfall	–	–
e)	Reason for shortfall*	NA	pertains to ongoing project
f)	Nature of CSR activities	(i) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects and (ii) Disaster management including relief, rehabilitation and reconstruction activities	
g)	Details of related party transactions, e.g.,contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	NIL	NIL
h)	Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision	NA	NA

* During the previous year, the company had ongoing project under CSR activity (Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects) and balance unspent amount of ₹ 181.21 lakhs as on March 31, 2022 was transferred to a separate account in the current year as per the resolution passed by CSR committee in their meeting held on March 7, 2022 as allowed under Companies Act, 2013. The company has spent this amount during the current year under the said ongoing project.

Note 41 : Tax expense

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current tax	–	2,926.07
Income tax for earlier years	(30.37)	206.16
Deferred tax charge/(credit)	7,697.49	(1,218.71)
Tax expense reported in the Statement of Profit and Loss	**7,667.12**	**1,913.52**

Notes to the Standalone Financial Statements

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(All amounts in ₹ lakhs, unless otherwise stated)

The major components of tax expense and its reconciliation to expected tax expense based on the enacted tax rate applicable to the Company is 25.168% (March 31, 2022: 25.168%) and the reported tax expense in statement of profit and loss are as follows:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Accounting profit before tax expense	34,100.04	5,936.03
Income tax rate	25.168%	25.168%
Expected tax expense	8,582.30	1,493.98
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense		
Tax impact of expenses which is non deductible	58.08	197.72
Impact of change in tax rates	(805.74)	–
Income tax for earlier years	(30.37)	206.16
Others	(137.15)	15.66
Tax expense	**7,667.12**	**1,913.52**

Note 42 : Earnings per share (EPS)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Net profit after tax attributable to equity shareholders		
Net profit for the year for basic earnings per share	**26,432.92**	**4,022.51**
Dilutive impact of share warrants	–	–
Net profit for the year for diluted earnings per share	**26,432.92**	**4,022.51**
Nominal value of equity share (₹)	10	10
Weighted-average number of equity shares for basis earnings per share	78,231,361	69,888,690
Effect of dilution:		
Share warrants	3,602,564	6,153,846
Weighted-average number of equity shares used to compute diluted earnings per share	**81,833,925**	**76,042,536**
Basic earnings per share (₹)	**33.79**	**5.76**
Diluted earnings per share (₹)	**32.30**	**5.29**

Note 43 : Financial instruments

A Financial assets and liabilities

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

Particulars	Note	As at March 31, 2023	As at March 31, 2022
Financial assets measured at fair value			
Derivative financial instruments fair value through profit and loss	Note - 6	2,231.64	1,192.75
Loans measured at fair value through other comprehensive income	Note - 8	371,636.22	388,533.16
Investments* measured at			
(i) Fair value through other comprehensive income	Note - 9	5,936.39	4,505.00
(ii) Fair value through profit and loss	Note - 9	68,087.61	169.75
Financial assets measured at amortised cost			
Cash and cash equivalents	Note - 4	21,335.16	104,900.58
Bank balances other cash and cash equivalents	Note - 5	81,540.28	86,565.38
Trade receivables	Note - 7	241.12	239.41
Loans	Note - 8	196,784.97	101,206.60
Investments	Note - 9	127.81	181.87
Security deposits	Note - 10	208.43	206.56
Other financial assets	Note - 10	1,398.26	1,898.58
Total		**749,527.89**	**689,599.64**

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Financial liabilities measured at amortised cost			
Trade payables	Note - 17	198.23	1,049.81
Other payables	Note - 18	1,149.80	1,543.56
Debt securities (including interest accrued)	Note - 19 and 22	112,080.86	122,187.32
Borrowings other than debt securities (including interest accrued)	Note - 20 and 22	402,079.98	384,147.73
Sub-ordinated liabilities (including interest accrued)	Note - 21 and 22	35,545.93	45,495.18
Other financial liabilities	Note - 22	20,584.05	20,862.15
Total		**571,638.85**	**575,285.75**

* During the current year the company has changed its accounting policy for investment in subsidiaries from cost method as per Ind AS 27 'Seperate Financial Statements' to fair value through profit and loss (FVTPL) as per Ind AS 109 'Financial Instruments'. However the figures pertainig to previous year are not presented here as, investment in subsidiaries was measured at cost as per Ind AS 27, 'Separate Financial Statements'. (also refer note 9)

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 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 (refer note 57 (D))	–	–	5,936.39	5,936.39
Investments at fair value through profit and loss				
Government securities	–	0.51	–	0.51
Equity investment in subsidiaries	–	68,087.10	–	68,087.10
Derivative financial assets at fair value through profit and loss				
Currency and interest swaps	–	2,231.64	–	2,231.64

As at March 31, 2022	Level 1	Level 2	Level 3	Total
Assets				
Loans at fair value through other comprehensive income				
Loans	–	388,533.16	–	388,533.16
Investments at fair value through other comprehensive income				
Security Receipts (refer note 57 (D))	–	–	4,505.00	4,505.00
Investments at fair value through profit and loss				
Mutual funds	59.24	–	–	59.24
Government securities	–	0.51	–	0.51
Derivative financial assets at fair value through profit and loss				
Currency and interest swaps	–	1,192.75	–	1,192.75

Notes to the Standalone Financial Statements
for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Valuation process and technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

(a) 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.

(b) The use of net asset value for certificate of deposits and mutual funds on the basis of the statement received from investee party.

(c) The value of derivative contracts are determined using mark to market value shared by contracting bank at balance sheet date.

(d) The use of net asset value for security receipts on the basis of the value declared by investee party.

(e) The use of net asset value for government securities on the basis of the value declared by government.

(f) The use of valuation report obtained from registered valuer for investment in subsidiaries.

B.2 Fair value of instruments measured at amortised cost

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Cash and cash equivalents	21,335.16	21,335.16	104,900.58	104,900.58
Bank balances other than cash and cash equivalents	81,540.28	81,540.28	86,565.38	86,565.38
Trade receivables	241.12	241.12	239.41	239.41
Loans	196,784.97	196,784.97	101,206.60	101,206.60
Investments	127.81	127.81	181.87	181.87
Security deposits	208.43	203.00	206.56	208.78
Other financial assets	1,398.26	1,398.26	1,898.58	1,898.58
Total	**301,636.03**	**301,630.60**	**295,198.98**	**295,201.20**
Financial liabilities				
Trade payables	198.23	198.23	1,049.81	1,049.81
Other payables	1,149.80	1,149.80	1,543.56	1,543.56
Debt securities (including interest accrued)	112,080.86	116,395.35	122,187.32	125,708.30
Borrowings other than debt securities (including interest accrued)	402,079.98	402,729.75	384,147.73	386,438.39
Sub-ordinated liabilities (including interest accrued)	35,545.93	35,744.34	45,495.18	45,986.26
Other financial liabilities	20,584.05	20,584.05	20,862.15	20,862.15
Total	**571,638.85**	**576,801.52**	**575,285.75**	**581,588.47**

The management assessed that fair values of cash and cash equivalents, other bank balances, trade receivables and trade payables approximate their respective carrying amounts, largely due to the short-term maturities of these instruments. The following methods and assumptions were used to estimate the fair values for other assets and liabilities:

(i) The fair values of the Company's fixed interest bearing loans are determined by applying set of discount rates and then averaged out to arrive at the fair value.

(ii) The fair values of the Company's fixed rate interest-bearing debt securities, borrowings and subordinated liabilities are determined by applying discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. For variable rate interest-bearing debt securities, borrowings and subordinated liabilities, carrying value represent best estimate of their fair value as these are subject to changes in underlying interest rate indices as and when the changes happen.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Note 44 : 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.

(i) Low credit risk

(ii) Moderate credit risk

(iii) High credit risk

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

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 and other financial assets	Life time expected credit loss or 12 month expected credit loss
High credit risk	Loans	Life time expected credit loss or fully provided for

Financial assets that expose the entity to credit risk*

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Low credit risk		
Cash and cash equivalents	17,312.89	100,142.36
Bank balances other than cash and cash equivalents	81,540.28	86,565.38
Trade receivables	241.72	248.96
Loans	558,989.93	474,351.89
Investments	8,758.24	4,686.87
Security deposits	208.43	206.56
Other financial assets	1,293.39	1,902.72
(ii) Moderate credit risk		
Loans	2,018.35	5,280.63
(iii) High credit risk		
Loans	19,297.93	44,579.96
Other financial assets	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.

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

- 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 Micro Small and Medium Enterprises 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

* 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 other than loans

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
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

As at March 31, 2022	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	100,142.36	–	100,142.36
Bank balances other than cash and cash equivalents	86,565.38	–	86,565.38
Trade receivables	248.96	9.55	239.41
Investments	4,686.87	–	4,686.87
Security deposits	206.56	–	206.56
Other financial assets	1,902.72	–	1,902.72

ii) Expected credit loss for loans

Definition of default:

The Company considers default in all cases when the borrower becomes more than 90 days past due on its contractual payments. 'The Expected Credit Loss (ECL) is measured at 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 loan assets. ECL is the product of the Probability of Default, Exposure at Default and Loss Given Default.

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

Particulars	Stage 1	Stage 2	Stage 3
Gross carrying amount as at April 1, 2021	**517,705.13**	**12,973.14**	**49,755.90**
Assets originated*	273,792.96	563.79	1,998.56
Net transfer between stages			
Transfer to stage 1	7,843.89	(7,270.15)	(573.74)
Transfer to stage 2	(6,062.50)	6,145.71	(83.21)
Transfer to stage 3	(6,879.09)	(3,132.25)	10,011.34
Assets derecognised or collected (excluding write offs)	(312,048.50)	(3,999.61)	(4,287.58)
Write - offs (including death cases)	–	–	(12,241.31)
Gross carrying amount as at March 31, 2022	**474,351.89**	**5,280.63**	**44,579.96**

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Stage 1	Stage 2	Stage 3
Assets originated*	451,377.68	656.17	858.77
Net transfer between stages			
Transfer to stage 1	224.64	(207.59)	(17.05)
Transfer to stage 2	(15,623.34)	15,635.51	(12.17)
Transfer to stage 3	(36,048.81)	(3,499.46)	39,548.27
Assets derecognised or collected (excluding write offs)	(315,292.13)	(3,347.58)	(14,928.86)
Write - offs (including death cases)	–	(12,499.33)	(50,730.99)
Gross carrying amount as at March 31, 2023	**558,989.93**	**2,018.35**	**19,297.93**

* Assets originated has been presented net of collection made during the year.

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

Reconciliation of loss allowance	Loans			Other financial assets
	Stage 1	Stage 2	Stage 3	
Loss allowance on April 1, 2021	**2,573.10**	**5,743.51**	**20,621.34**	**6.43**
Increase of provision due to assets originated during the year	605.04	160.45	873.25	–
Net transfer between stages				
Transfer to stage 1	2,119.30	(1,889.96)	(229.34)	–
Transfer to stage 2	(98.42)	134.92	(36.50)	–
Transfer to stage 3	(701.81)	(942.71)	1,644.52	–
Assets derecognised or collected	(416.89)	(546.67)	(6,197.69)	7.26
Impact of ECL on exposures transferred between stages during the year	(2,794.81)	1,557.36	12,294.73	–
Loss allowance on March 31, 2022	**1,285.51**	**4,216.90**	**28,970.31**	**13.69**
Increase of provision due to assets originated during the year	838.87	227.27	460.90	–
Net transfer between stages				
Transfer to stage 1	106.06	(98.68)	(7.38)	–
Transfer to stage 2	(19.58)	25.94	(6.36)	–
Transfer to stage 3	(64.94)	(253.78)	318.72	–
Assets derecognised or collected	(642.14)	(3,808.97)	(25,747.70)	22.31
Impact of ECL on exposures transferred between stages during the year	(446.16)	432.23	6,098.00	–
Loss allowance on March 31, 2023	**1,057.62**	**740.91**	**10,086.49**	**36.00**

c) Concentration of loans

Particulars	As at March 31, 2023	As at March 31, 2022
Micro finance loans	545,850.62	492,128.89
Micro, Small and Medium Enterprises (MSME)	39,297.58	35,391.74
Less: Unamortised processing fee	(4,841.99)	(3,308.15)
Total	**580,306.21**	**524,212.48**

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 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

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(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Carrying value
As at March 31, 2022	
MSME loans secured by property, plant and equipment (including land, building and plots)	2,283.85
MSME loans secured by book debts, inventories, margin money and other working capital items	1,733.28

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 possesses 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.

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 March 31, 2023	Total facility	Drawn	Undrawn
- Expiring within one year	553.50	553.50	–
- Expiring beyond one year	2,527.93	2,002.92	525.01
Total	**3,081.43**	**2,556.42**	**525.01**

As at March 31, 2022	Total facility	Drawn	Undrawn
- Expiring within one year	89,200.00	86,700.00	2,500.00
- Expiring beyond one year	342,586.45	318,145.78	24,440.67
Total	**431,786.45**	**404,845.78**	**26,940.67**

(ii) Maturities of financial assets and liabilities

The tables below analyses the Company financial assets and liabilities into relevant maturity groupings based on their contractual maturities. The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. Derivatives have been classified to mature and/or be repaid within 12 months, regardless of the actual contractual maturities of the products. With regard to loans and advances to customers, the Company uses the same basis of expected repayment behaviour as used for estimating the EIR. Issued debt reflect the contractual coupon amortisations.

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

As at March 31, 2023	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Financial assets					
Non-derivatives					
Cash and cash equivalents	21,337.24	–	–	–	21,337.24
Bank balances other than cash and cash equivalents	57,644.90	24,776.14	3,077.27	1.26	85,499.57
Trade receivables	241.12	–	–	–	241.12
Loans	405,616.41	229,893.18	11,556.84	38,123.59	685,190.02
Investments	0.51	–	–	–	0.51
Other financial assets	1,599.09	17.71	14.41	10.88	1,642.09

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for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

As at March 31, 2023	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Derivatives (net settled)					
Derivative financial instruments	2,231.64	–	–	–	2,231.64
Total undiscounted financial assets	**488,670.91**	**254,687.03**	**14,648.52**	**38,135.73**	**796,142.19**
Financial liabilities					
Non-derivatives					
Debt Securities	67,343.86	21,028.71	30,928.40	11,606.60	130,907.57
Borrowings other than debt securities	308,410.89	120,470.66	24,659.72	24,273.14	477,814.41
Subordinated liabilities	11,331.27	3,595.63	28,017.96	1,674.47	44,619.33
Trade payables	198.23	–	–	–	198.23
Other payables	1,149.80	–	–	–	1,149.80
Other financial liabilities	20,584.05	–	–	–	20,584.05
Provision	0.13	–	–	–	0.13
Total undiscounted financial liabilities	**409,018.23**	**145,095.00**	**83,606.08**	**37,554.21**	**675,273.52**
Net undiscounted financial assets/(liabilities)	**79,652.68**	**109,592.03**	**(68,957.56)**	**581.52**	**120,868.67**

As at March 31, 2022	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Financial assets					
Non-derivatives					
Cash and cash equivalents	104,928.40	–	–	–	104,928.40
Bank balances other than cash and cash equivalents	68,605.25	14,485.95	5,760.66	1.26	88,853.12
Trade receivables	239.41	–	–	–	239.41
Loans	378,959.13	168,973.24	12,954.57	14,159.50	575,046.44
Investments	1,004.65	1,967.83	1,824.41	–	4,796.89
Other financial assets	2,037.49	27.51	9.91	51.91	2,126.82
Derivatives (net settled)					
Derivative financial instruments	1,192.75	–	–	–	1,192.75
Total undiscounted financial assets	**556,967.08**	**185,454.53**	**20,549.55**	**14,212.67**	**777,183.83**
Financial liabilities					
Non-derivatives					
Debt Securities	56,726.63	63,178.27	10,313.58	9,607.41	139,825.89
Borrowings other than debt securities	300,089.33	87,791.36	31,929.10	13,048.12	432,857.91
Subordinated liabilities	16,674.57	10,141.85	3,594.35	29,692.44	60,103.21
Trade payables	1,049.81	–	–	–	1,049.81
Other payables	1,543.56	–	–	–	1,543.56
Other financial liabilities	20,862.15	–	–	–	20,862.15
Provision	2.78	–	–	–	2.78
Total undiscounted financial liabilities	**396,948.83**	**161,111.48**	**45,837.03**	**52,347.97**	**656,245.31**
Net undiscounted financial assets/(liabilities)	**160,018.25**	**24,343.05**	**(25,287.48)**	**(38,135.30)**	**120,938.52**

The company has restructured certain loans in accordance with the RBI circular RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22 dated May 05, 2021. The maturities of financial assets and liabilities, as above, are the amount due and payable only to the extent the contractual terms with borrowers and provider of finances were amended as at March 31, 2022.

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 arise 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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

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 March 31, 2023	As at March 31, 2022
Financial liabilities			
External commercial borrowings (including interest accrued)	USD	41,691.24	31,437.45
(Gain)/loss: Derivative contract		(2,231.64)	(1,192.75)

Sensitivity

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

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
USD sensitivity*		
₹/USD- increase by 5%	(2,084.56)	(1,571.87)
₹/USD- decrease by 5%	2,084.56	1,571.87

* 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 March 31, 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 March 31, 2023	As at March 31, 2022
Variable rate liabilities		
Debt securities	–	–
Borrowings other than debt securities	129,004.52	137,632.82
Subordinated liabilities	20,000.00	20,000.00
Fixed rate liabilities		
Debt securities	109,144.08	118,743.75
Borrowings other than debt securities	271,473.18	244,871.44
Subordinated liabilities	15,126.25	25,034.73
Total	**544,748.03**	**546,282.74**

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 year ended March 31, 2023	For the year ended March 31, 2022
Interest sensitivity*		
Interest rates – increase by 0.50%	620.15	644.26
Interest rates – decrease by 0.50%	(620.15)	(644.26)

* Holding all other variables constant

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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

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 after tax

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Mutual fund, Certificate of deposits and commercial paper		
Net assets value – increase by 5%	–	2.99
Net assets value – decrease by 5%	–	(2.99)

Note 45 : 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 March 31, 2023	As at March 31, 2022
Net debt*	446,831.33	360,364.27
Total equity	191,371.68	160,624.83
Net debt to equity ratio	**2.33**	**2.24**

* 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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Note 46 : Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. Derivatives have been classified to mature and/or be repaid within 12 months, regardless of the actual contractual maturities.

Particulars	As at March 31, 2023		As at March 31, 2022	
	Within 12 months	After 12 months	Within 12 months	After 12 months
ASSETS				
Financial assets				
Cash and cash equivalents	21,335.16	–	104,900.58	–
Bank balances other than cash and cash equivalents	56,340.15	25,200.13	67,741.39	18,823.99
Derivative financial instruments	2,231.64	–	1,192.75	–
Trade receivables	241.12	–	239.41	–
Loans	308,171.91	260,249.28	296,015.60	193,724.16
Investments	0.51	74,151.30	1,195.97	32,420.89
Other financial assets	1,534.05	72.64	2,060.10	45.04
	389,854.54	**359,673.35**	**473,345.80**	**245,014.08**
Non-financial assets				
Current tax assets (net)	3,321.63	–	–	–
Deferred tax assets (net)	–	–	–	6,811.20
Property, plant and equipment	–	8,328.99	–	7,901.34
Capital work-in-progress	–	–	–	17.89
Investment Property	–	664.26	–	698.26
Other intangible assets	–	144.66	–	212.71
Other non-financial assets	2,403.07	149.15	3,530.86	8.36
	5,724.70	**9,287.06**	**3,530.86**	**15,649.76**
TOTAL ASSETS	**395,579.24**	**368,960.41**	**476,876.66**	**260,663.84**
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	198.23	–	1,049.81	–
Other payables				
(i) total outstanding dues of micro enterprises and small enterprises	23.87	–	172.02	–
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1,125.93	–	1,371.54	–
Debt securities	56,875.73	52,268.35	44,657.54	74,086.21
Borrowings (other than debt securities)	236,306.50	164,171.20	259,609.32	122,894.94
Subordinated liabilities	7,168.00	27,958.25	11,102.78	33,931.95
Other financial liabilities	25,346.27	196.52	26,273.97	135.67
	327,044.53	**244,594.32**	**344,236.98**	**231,048.77**
Non-financial liabilities				
Current tax liabilities (net)	–	–	100.06	–
Deferred tax liabilities (net)	–	245.64	–	–
Provisions	216.28	487.57	250.23	525.61
Other non-financial liabilities	579.63	–	754.02	–
	795.91	**733.21**	**1,104.31**	**525.61**
TOTAL LIABILITIES	**327,840.44**	**245,327.53**	**345,341.29**	**231,574.38**
Net equity	**67,738.80**	**123,632.88**	**131,535.37**	**29,089.46**

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Note 47 : Transferred financial assets

In the course of its micro finance activity, the Company makes transfers of financial assets, where legal rights to the cash flows from the asset are passed to the counterparty and where the Company retains the rights to the cash flows but assumes a responsibility to transfer them to the counterparty.

The Company has securitized its loan assets to an unrelated and unconsolidated entities. As per the terms of the agreements, the Company is exposed to first loss default guarantee amounting in range of 12% to 20% of the amount securitised and therefore continues to be exposed to significant risk and rewards relating to the underlying mortgage receivables. Hence, these loan assets are not derecognised and proceeds received are presented as borrowings.

The following tables provide a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities:

Particulars	As at March 31, 2023	As at March 31, 2022
Gross carrying amount of securitised assets	129,894.61	54,457.03
Gross carrying amount of associated liabilities	114,564.33	50,294.24
Carrying value and fair value of securitised assets	128,950.80	54,153.40
Carrying value and fair value of associated liabilities	114,564.33	50,294.24
Net position	**14,386.47**	**3,859.16**

Note 48 : Employee benefits

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

A Defined contribution plans

Provident and other funds

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund and other funds which are defined contribution plans. The Company has no obligations other than this to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrue.

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Employers contribution to provident and other fund	2,422.02	2,898.84

B Defined benefit plans

Gratuity

The Company has a defined benefit gratuity plan. Every employee is entitled to gratuity as per the provisions of the Payment of Gratuity Act, 1972. The scheme is funded and the scheme is managed by Life Insurance Companies. The liability of Gratuity is recognized on the basis of actuarial valuation.

Risks associated with plan provisions

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

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

Particulars	As at March 31, 2023	As at March 31, 2022
Present value of obligation	1,408.57	1,377.26
Fair value of plan assets	1,495.26	1,374.36
Net (asset) / obligation recognised in balance sheet as non-financial assets	**(86.69)**	**2.90**

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

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current service cost	230.53	238.62
Interest cost on defined benefit obligation	99.99	91.93
Interest income on plan assets	(99.78)	(96.54)
Net impact on profit/(loss) before tax	**230.74**	**234.01**

Amount recognised in the other comprehensive income:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Actuarial gain/(loss) unrecognised during the year	(29.67)	12.91

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

Particulars	As at March 31, 2023	As at March 31, 2022
Present value of defined benefit obligation as at the beginning of year	1,377.26	1,359.95
Current service cost	230.53	238.62
Interest cost	99.99	91.93
Past service cost including curtailment gains/losses	–	–
Benefits paid	(320.89)	(290.64)
Actuarial loss/(gain) on obligation		
Actuarial (gain)/loss on arising from change in demographic assumption	–	(56.38)
Actuarial (gain)/loss on arising from change in financial assumption	(8.63)	(15.58)
Actuarial loss on arising from experience adjustment	30.31	49.36
Present value of defined benefit obligation as at the end of the year	**1,408.57**	**1,377.26**

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

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

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

Particulars	As at March 31, 2023	As at March 31, 2022
Fair value of plan assets at beginning of year	1,374.36	1,428.14
Actual return on plan assets	91.79	86.85
Employer's contribution	350.00	150.00
Benefits paid	(320.89)	(290.63)
Fair value of plan assets at the end of the year	**1,495.26**	**1,374.36**

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

(vi) Actuarial assumptions

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Discounting rate	7.39%	7.26%
Future salary increase	4.00%	4.00%
Retirement age (years)	60	60
Withdrawal rate		
Up to 30 years	49.29%	49.29%
From 31 to 44 years	17.77%	17.77%
Above 44 years	0.28%	0.28%
Weighted average duration	3.94	3.73

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

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

(vii) Sensitivity analysis for gratuity liability

Particulars	As at March 31, 2023	As at March 31, 2022
Impact of the change in discount rate		
Present value of obligation at the end of the year	1,408.57	1,377.26
– Impact due to increase of 0.50 %	(32.43)	(31.09)
– Impact due to decrease of 0.50 %	34.61	33.17
Impact of the change in salary increase		
Present value of obligation at the end of the year	1,408.57	1,377.26
– Impact due to increase of 0.50 %	35.59	34.08
– Impact due to decrease of 0.50 %	(33.61)	(32.18)

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

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

(viii) Maturity profile of defined benefit obligation (discounted)

Particulars	As at March 31, 2023	As at March 31, 2022
0 to 1 year	390.56	394.68
1 to 2 year	169.97	164.00
2 to 3 year	123.26	126.18
3 to 4 year	92.29	95.63
4 to 5 year	134.08	73.05
5 to 6 year	60.39	108.24
6 year onwards	438.02	415.48
Total	**1,408.57**	**1,377.26**

Note 49 : Related party disclosures

A List of related parties and disclosures

Subsidiaries:

Satin Housing Finance Limited

Satin Finserv Limited

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

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. Adhish Swaroop (till May 11, 2021)	Company Secretary and Compliance 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 year ended March 31, 2023	For the year ended March 31, 2022
Mr. Harvinder Pal Singh	Remuneration	140.32	140.32
	Provident fund and others	14.39	14.39
	Personal guarantees given	14,000.00	8,333.33
	Personal guarantees withdrawn	10,655.81	–
Mr. Satvinder Singh	Personal guarantees withdrawn	10,000.00	20,000.00
Mr. Harvinder Pal Singh and Mr. Satvinder Singh	Personal guarantees given (jointly)	79,100.00	–
	Personal guarantees withdrawn (jointly)	95,451.53	31,168.79
Mr. Jugal Kataria	Remuneration	140.29	132.89
Mr. Rakesh Sachdeva	Remuneration	77.53	74.18
Mr. Adhish Swaroop	Remuneration	–	3.10
Mr. Vipul Sharma	Remuneration	8.52	17.74
Mr. Vikas Gupta	Remuneration	16.14	–
Mr. Satvinder Singh	Sitting fees	4.25	6.00
Mr. Sundeep Kumar Mehta	Sitting fees	5.95	7.60
Mrs. Sangeeta Khorana	Sitting fees	2.50	3.70
Mr. Goh Colin	Sitting fees	4.55	5.80
Mr. Sanjay Kumar Bhatia	Sitting fees	4.55	6.10
Mr. Anil Kumar Kalra	Sitting fees	3.90	5.00
Taraashna Financial Services Limited	Interest income	–	392.74
	Inter corporate loan given	–	1,950.00
	Inter corporate loan received back	–	500.00
	Rent received	–	21.29
	Share based (reimbursement)/payment	–	(5.76)
	Received on account of managerial services	–	65.59
	Services received on account of sourcing and collections	–	870.01

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Name of related party	Nature of transaction	For the year ended March 31, 2023	For the year ended March 31, 2022
Satin Housing Finance Limited	Interest income	65.92	127.67
	Inter corporate loan given	3,000.00	4,500.00
	Inter corporate loan received back	3,500.00	6,000.00
	Investment made	3,999.90	500.00
	Corporate Guarantee premium charged	115.58	136.84
	Share based (reimbursement)/payment	–	(33.09)
	Rent received	33.57	32.27
Satin Finserv Limited	Interest income	506.39	–
	Inter corporate loan given	1,850.00	–
	Inter corporate loan received back	2,050.00	–
	Facilitation fee paid	12.00	5.00
	Received on account of managerial services	128.60	63.00
	Services received on account of sourcing and collections	1,043.60	–
	Rent received	45.56	21.52
Satin Neo Dimensions Private Limited	Interest income	15.52	21.76
	Inter corporate loan received back	32.63	26.50
	Purchase of property, plant & equipment (WIP)	–	18.44
Niryas Food Products Private Limited	Rent received	–	1.98

C Key management personnel compensation includes the following expenses:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Short-term employee benefits	397.19	382.62
Post employment benefits	17.06	11.74
Other long-term benefits*	8.18	(25.00)

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

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

Name of related party	Nature of balance	As at March 31, 2023	As at March 31, 2022
Mr. Satvinder Singh	Personal guarantees against borrowings^	–	10,000.00
Mr. Harvinder Pal Singh	Personal guarantees against borrowings^	11,677.52	8,333.33
Mr. Harvinder Pal Singh and Mr. Satvinder Singh	Personal guarantees (jointly) against borrowings^	109,885.23	126,236.76
Mr. Anil Kumar Kalra	Sitting fees	0.63	–
Mr. Goh Colin	Sitting fees	0.58	1.20
Mr. Sanjay Kumar Bhatia	Sitting fees	0.63	–
Mr. Satvinder Singh	Sitting fees	0.27	–
Mr. Sundeep Kumar Mehta	Sitting fees	0.27	–
Mrs. Sangeeta Khorana	Sitting fees	0.63	–
Taraashna Financial Services Limited	Investments	–	8,510.24
	Inter corporate loan	–	3,550.00
	Maximum outstanding against Inter corporate loan	–	3,750.00
	Other payable (net of tax deduted at source)	–	103.53
Satin Housing Finance Limited	Investments*	33,568.03	10,000.00
	Inter corporate loan	–	500.00
	Maximum outstanding against Inter corporate loan	2,000.00	2,000.00

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Name of related party	Nature of balance	As at March 31, 2023	As at March 31, 2022
Satin Finserv Limited	Investments*	34,407.88	10,250.00
	Inter corporate loan	3,350.00	–
	Maximum outstanding against Inter corporate loan	4,250.00	–
Satin Neo Dimensions Private Limited	Inter corporate loan	58.15	90.78
	Maximum outstanding against Inter corporate loan	90.78	117.27
	Interest accrued	0.97	1.51

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

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

Note 50 : Leases disclosure as lessee

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

March 31, 2023

Right-of use assets	No of right-of use assets leased	Range of remaining term	Average remaining lease term	No of leases with extension options	No of leases with purchase options	No of leases with variable payments linked to an index	No of leases with termination options
Office building	399	1 Months-64 Months	17.11 months	399	–	–	399
Vehicles	1	48 Months	46 months	1	1	–	1

March 31, 2022

Right-of use assets	No of right-of use assets leased	Range of remaining term	Average remaining lease term	No of leases with extension options	No of leases with purchase options	No of leases with variable payments linked to an index	No of leases with termination options
Office building	32	1 Months-78 Months	21.59 months	32	–	–	32

2 Additional information on the Right-of-Use assets by class of assets is as follows:

Right-of use assets	Carrying amount as on April 1, 2022	Additions	Depreciation	Impairment	Carrying amount as on March 31, 2023
Office building	411.57	1,177.33	506.91	13.29	1,068.70
Vehicles	–	80.69	6.14	–	74.55

Right-of use assets	Carrying amount as on April 1, 2021	Additions	Depreciation	Impairment	Carrying amount as on March 31, 2022
Office building	580.88	14.71	175.77	8.25	411.57

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

Particulars	As at March 31, 2023	As at March 31, 2022
Current	578.50	154.89
Non-current	657.87	346.04
Total	**1,236.37**	**500.93**

4 At March 31, 2023 the Company had not committed to leases which had not commenced.

5 The undiscounted maturity analysis of lease liabilities is as follows:

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

March 31, 2023

Particulars	Less than 1 year	1-2 year	2-3 year	More than 3 years
Lease payments	683.58	373.60	197.63	185.32
Finance charges	105.08	52.37	26.64	19.67
Net present values	**578.50**	**321.23**	**170.99**	**165.65**

March 31, 2022

Particulars	Less than 1 year	1-2 year	2-3 year	More than 3 years
Lease payments	201.30	157.71	80.70	181.06
Finance charges	46.41	29.97	19.92	23.54
Net present values	**154.89**	**127.74**	**60.78**	**157.52**

6 The Company has elected not to recognise a lease liability for short term leases (leases of expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognised as lease liabilities and are expensed as incurred.

7 The Company had total cash outflows for leases of ₹ 1,813.67 Lakhs in March 31, 2023 (March 31, 2022: ₹ 1,688.73 Lakhs).

The following are the amounts recognised in profit or loss:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation expense of right-of-use assets	513.05	175.77
Interest expense on lease liabilities	120.58	63.82
Expense relating to short-term leases (included in other expenses)	1,205.91	1,475.64
Total amount recognised in profit or loss	**1,839.54**	**1,715.23**

The Company had lease contracts for office buildings used in its operations. Leases of these buildings generally have lease terms between 1 to 9 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets. There are several lease contracts that include extension, termination options, non financial restrictions and non financial covenants. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Company's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

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

The Company does not anticipate any material leases to be terminated in next three years or beyond that.

Operating leases

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

Office premises

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Short term leases	513.63	1,688.73

Operating leases as lessor

The Company has given certain premises under operating lease arrangements. The contractual future minimum lease income in respect of these leases are as under:

Particulars	As at March 31, 2023	As at March 31, 2022
Minimum lease receipts:		
– within one year	75.28	12.63
– Later than one year but not later than two years	0.95	–

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Note 51 : 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.

Note 52 : 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 asessing 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 has filed an appeal with CIT (A) against such demand which is pending for hearing.

iv)

Particulars	As at March 31, 2023	As at March 31, 2022
Estimated amount of contract remaining to be executed on capital account and not provided for	–	57.14
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	4,500.00
Company had issued corporate financial guarantee to State Bank of India against the funding obtained by its subsidiary Satin Housing Finance Limited.	2,500.00	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	–
Company has issued corporate financial guarantee to Catalyst Trusteeship Limited against the Non-convertible Debenture issued by its subsidiary Satin Finserv Limited.	500.00	500.00
Total	**13,000.00**	**7,557.14**

Note 53 : Assets pledged/hypothecated as security

The carrying amounts of assets pledged/hypothecated as security are:

Particulars	As at March 31, 2023	As at March 31, 2022
Loan assets	346,590.44	379,401.27
Vehicles*	138.41	117.08
Land & Buildings	150.36	157.73
Total assets pledged as security	**346,879.21**	**379,676.08**

*This excludes right of use asset of ₹ 74.55 (March 31, 2022 : Nil).

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Note 54 : Employee Stock Option Plan / Scheme (ESOP/ ESOS)

Pursuant to the approval accorded by Shareholders of Satin Creditcare Network Limited (Company) at their Annual General Meeting held on July 6, 2017, the Nomination and Remuneration Committee of the Company formulated a new scheme 'Satin Employee Stock Option Scheme 2017' (ESOS 2017) in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (or any amendment thereto or any other provisions as may be applicable). ESOS is applicable to all permanent and full-time employees (as defined in the Plan), excluding Promoters of the Company. The eligibility of employees to receive grants under the Plan has to be decided by the Nomination and Remuneration Committee from time to time at its sole discretion. Vesting of the options and vesting period shall take place in the manner determined by the Nomination and Remuneration Committee at the time of grant. Vesting of options shall be subject to the condition that the Grantee shall be in continuous employment with the Company and such other conditions as provided under ESOS 2017. The Exercise Price of each grant is determined by the Nomination and Remuneration Committee at the time of grant.

Presently, stock options have been granted or shares have been issued under the following scheme:

A. Satin Employee Stock Option Scheme 2009 (ESOS 2009)

B. Satin Employee Stock Option Scheme 2017 (ESOS 2017)

a) **Employee stock option schemes:**

ESOS 2009: Initially 425,000 equity shares of ₹ 10/- each at a premium of ₹ 10/- each were allotted to Satin Employees Welfare Trust on November 27, 2009. (This scheme was terminated vide Shareholders Resolution dated July 6, 2017)

Details of grant and exercise of such options are as follows:

Particulars	Grant – 1 of ESOS 2009			Grant – 2 of ESOS 2009			Grant – 3 of ESOS 2009		
No. of options granted	150,000			98,300			87,900		
Date of grant of options	January 12, 2010			December 2, 2013			December 2, 2016		
No. of employee to whom such options were granted	2			29			36		
Financial year (F.Y.)	F.Y. 2010-11	F.Y. 2011-12	F.Y. 2012-13	F.Y. 2014-15	F.Y. 2015-16	F.Y. 2016-17	F.Y. 2017-18	F.Y. 2018-19	F.Y. 2019-20
No. of employees who have exercised the option	2	2	2	25	23	23	22	18	15
No. of options exercised	50,000	50,000	50,000	25,824	22,633	27,243	21,100	19,300	13,300

Note: There was NIL options vested in F.Y. 2013-14.

Satin ESOP 2010: 100,000 equity shares of ₹ 10/- each at a premium of ₹ 12/- were allotted to Satin Employees Welfare Trust on June 22, 2010 (The scheme was terminated vide Shareholders Resolution dated July 6, 2017 and the outstanding options were transferred to Satin ESOS 2017).

Satin ESOP II 2010: 150,000 equity shares of ₹ 10/- each at a premium of ₹ 15/- were allotted to Satin Employees Welfare Trust on April 21, 2011 (The scheme was terminated vide Shareholders Resolution dated July 6, 2017 and the outstanding options were transferred to Satin ESOS 2017).

ESOS Scheme 2017: All options not exceeding 3,61,400 representing 0.96% of the paid-up Capital of the company as on March 31, 2017 (or such other adjusted figure for any bonus, stock splits or consolidations or other reorganization of the capital structure of the Company as may be applicable from time to time including the shares lying with the Trust that may remain unutilized pursuant to non-exercisability of options granted under Satin ESOS 2009, 2010 (I) and 2010 (II), to or for the benefit of permanent employees of the Company and its subsidiaries whether working in India or outside India. The said ESOS Scheme, 2017 were approved in twenty seventh Annual General Meeting of the Company held on July 6. 2017.

Details of grant and exercise of such options are as follows:

Particulars	Grant – 1 of ESOS 2017	Grant – 2 of ESOS 2017
No. of options granted	145,200	226,600
Date of grant of options	August 14, 2017	May 30, 2018
No. of employee to whom such options were granted	57	35

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Grant – 1 of ESOS 2017			Grant – 2 of ESOS 2017		
Financial year (F.Y.)	F.Y. 2018-19	F.Y. 2019-20	F.Y. 2020-21	F.Y. 2019-20	F.Y. 2020-21	F.Y. 2021-22
No. of employees who have exercised the option	18	27	Nil	13	Nil	NA
No. of options exercised	12,200	13,500	Nil	20,950	Nil	NA

b) The Company has provided following share based options to its employees:

Particulars	ESOS 2009	ESOS 2017
Date of grant	January 12, 2010, December 2, 2013 and December 2, 2016	August 14, 2017 and May 30, 2018
Date of board meeting, where ESOP/ESOS were approved	November 27, 2009	May 26, 2017
Date of committee meeting where grant of options were approved	January 12, 2010 November 12, 2013 and November 09, 2016	August 14, 2017 and May 30, 2018
Date of shareholders' approval	June 1, 2009	July 06, 2017
No. of options granted	336,200 out of 425,000	3,71,800
Method of settlement	Equity	Share/Cashless route
Vesting conditions	The actual vesting of options will depend on continuation to hold the services being provided to the Company at the time of exercise of options and such other conditions as mentioned in the ESOS Scheme.	The actual vesting of options will depend on continuation to hold the services being provided to the Company at the time of exercise of options and such other conditions as mentioned in the ESOS Scheme, 2017.
Vesting period	Option will be vested at the end of year 1 – 33.33% end of year 2 – 33.33% end of year 3 – 33.34% end of year Subject to lock in period of one year from the date of transfer of shares and other terms as stipulated in the Scheme and prescribed under the law in force.	Grant 1 of ESOS 2017 Option will be vested at the end of year 1 – 33.33% end of year 2 – 33.33% end of year 3 – 33.34% end of year Grant 2 of ESOS 2017 Option will be vested at the end of year 1 – 50% end of year 2 – 50% end of year
Exercise period	It shall commence from the date of vesting of options and expire not later than 2 months from the vesting date of each grant of options	It shall commence from the date of vesting of options and expire not later than 1 Year from the vesting date of each grant of options

Note: ESOS 2009 scheme was repealed in terms of Resolution passed by the Shareholders at their meeting held on July 6, 2017.

Details of Vesting and Exercise of Options (ESOS 2009):

Vesting Date	Vested options	No of options exercised
January 12, 2011	50,000	50,000
January 12, 2012	50,000	50,000
January 12, 2013	50,000	50,000
December 2, 2014	29,090	25,824
December 2, 2015	29,100	22,633
December 2, 2016	29,110	27,243
December 2, 2017	22,300	21,100
December 2, 2018	19,300	19,300
December 2, 2019	13,300	13,300

Notes to the Standalone Financial Statements

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(All amounts in ₹ lakhs, unless otherwise stated)

Details of Vesting and Exercise of Options (Grant 1 of ESOS 2017):

Vesting Date	Vested options	No of options exercised
August 14, 2018	21,400	12,200
August 14, 2019	15,800	13,500
August 14, 2020*	11,400	–

* These options are available for exercise till August 13, 2021

Details of Vesting and Exercise of Options (Grant 2 of ESOS 2017):

Vesting Date	Vested options	No of options exercised
May 30 2019	105,050	20,950
May 30 2020	96,850	–

* These options were available for exercise till May 29, 2021

i) The details of ESOS Scheme 2017 are summarized below:

Particulars	As at March 31, 2023		As at March 31, 2022	
	ESOS 2017		ESOS 2017	
	No. of options	Weighted average exercise price	No. of options	Weighted average exercise price
Outstanding options at the beginning of the year	–	–	79,300	At a discount/ premium on fair value
Exercised during the year	–	–	–	160
Number of shares arising as a result of exercise of options	–	–	–	160
Expired/ lapsed during the year under ESOS Scheme, 2017	–	–	79,300	160
Options expired/ lapsed under earlier ESOP Scheme's (adjusted)*	–	–	–	–
Outstanding options at the end of the year	–	–	–	–
Exercisable at the end of the year	–	–	–	–
Weighted average remaining contractual life (in years) of the option exercisable	–	–	–	–
Weighted average fair value of the options exercisable at grant date	Grant -1	–	Grant -1	–
	Grant -2	–	Grant -2	–
Loan repaid by the Trust during the year from exercise price received (amount in Lakhs)	–	–		

* Outstanding Options of previous ESOS schemes has been transferred to new ESOS scheme 2017

ii) Weighted average exercise price (fair market value) of share during the year ended March 31, 2023: NA (March 31, 2022: NA).

The detail of exercise price for stock option at the end of the financial year 2022-2023 is:

Series	Range of exercise price	No. of options outstanding for Exercise	Weighted average remaining contractual life of options (in years)	Weighted average exercise price	Remarks
Grant-3 ESOS 2009	20/- per option	–	–	20	Scheme Repealed
Grant-1 ESOS Scheme 2017	160/- per option	–	0.00	160	New Scheme
Grant-2 ESOS Scheme 2017	160/- per option	–	0.00	160	New Scheme

Notes to the Standalone Financial Statements

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(All amounts in ₹ lakhs, unless otherwise stated)

iii) The fair value of the options granted is determined on the date of the grant using the "Black-Scholes option pricing model" with the following assumptions, as certified by an independent valuer:

Particulars	Grant 3 ESOS 2009	Grant 1 ESOS 2017			Grant 2 ESOS 2017	
	3rd tranche of vesting	1st tranche of vesting	2nd tranche of vesting	3rd tranche of vesting	1st tranche of vesting	2nd tranche of vesting
Date of grant	December 2, 2016	August 14, 2017	August 14, 2017	August 14, 2017	May 30, 2018	May 30, 2018
Fair market value of option on the date of grant	438.40	267.38	267.38	267.38	386.65	386.65
Exercise price	20.00	160.00	160.00	160.00	160.00	160.00
Expected volatility (%)	60.39%	55.86%	62.90%	62.90%	45.31%	53.94%
Expected option life (weighted average)	3.08	1.50	2.50	3.50	1.50	2.50
Expected dividends yield	–	–	–	–	–	–
Risk free interest rate (%)	6.03%	6.35%	6.40%	6.45%	7.53%	7.66%

The expected volatility was determined based on historical volatility data of the Company's shares listed on the National Stock Exchange of India Limited.

iv) The Company has recognized share based payment expense of ₹ NIL (March 31, 2022: ₹ NIL) during the year as proportionate cost.

v) The Company has ₹ 169.69 Lakhs (March 31, 2022: ₹ 169.69 Lakhs) recoverable from Satin Employees Welfare Trust pursuant to ESOP schemes.

Note 55 : Recent accounting pronouncements:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 "Presentation of Financial Statements"

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements.

Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors"

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

Ind AS 12 "Income Taxes"

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1,2023. The Company has evaluated the amendment and there is no impact on its standalone financial statement.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Below notes starting from 56 to 60 are non Ind AS information as required by different laws and regulations.

Note 56 : Disclosure as per Master Direction DNBR.PD.008/03.10.119/2016-17 (updated from time to time) are as under:-

Disclosure of expected credit loss and provisions required as per Income Recognition and Asset Classification norms;

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
Performing Assets						
Standard	Stage 1	558,989.93	1,057.66	557,932.27	152.92	904.74
	Stage 2	2,018.35	740.87	1,277.48	0.47	740.40
Subtotal		**561,008.28**	**1,798.53**	**559,209.75**	**153.39**	**1,645.14**
Non-Performing Assets (NPA)						
Substandard	Stage 3	531.94	531.94	–	50.23	481.71
Doubtful - up to 1 year*	Stage 3	11,323.16	5,765.09	5,558.07	743.31	5,021.78
1 to 3 years*	Stage 3	7,442.83	3,789.46	3,653.37	10,794.28	(7,004.82)
More than 3 years	Stage 3	–	–	–	–	–
Subtotal for doubtful		**18,765.99**	**9,554.55**	**9,211.44**	**11,537.59**	**(1,983.04)**
Loss	Stage 3	–	–	–	–	–
Subtotal for NPA		**19,297.93**	**10,086.49**	**9,211.44**	**11,587.82**	**(1,501.33)**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	1,373.18	35.40	1,337.78	–	35.40
	Stage 2	–	–	–	–	–
	Stage 3	–	–	–	–	–
Subtotal		**1,373.18**	**35.40**	**1,337.78**	**–**	**35.40**
Total	Stage 1	560,363.11	1,093.06	559,270.05	152.92	940.14
	Stage 2	2,018.35	740.87	1,277.48	0.47	740.40
	Stage 3	19,297.93	10,086.49	9,211.44	11,587.82	(1,501.33)
	Total	**581,679.39**	**11,920.42**	**569,758.97**	**11,741.21**	**179.21**

* Includes joint liability group loans (JLG) and SME loans.

Note 57 : Additional disclosures as required by the Reserve Bank of India: -

(A) Disclosure as per Master Direction DNBR.PD.008/03.10.119/2016-17 (updated from time to time) are as under:-

(i) Capital to Risk Assets Ratio ("CRAR"):-

Particulars	As at March 31, 2023	As at March 31, 2022
CRAR (%)	26.62	27.84
CRAR – Tier I capital (%)	25.34	23.25
CRAR – Tier II capital (%)	1.28	4.59
Amount of subordinated debt included in Tier-II capital	35,126.25	44,704.80
Amount raised by issue of perpetual debt instruments	–	–

(ii) Disclosure of investments:-

Particulars	As at March 31, 2023	As at March 31, 2022
1) Value of investments		
i) Gross value of investments	76,845.85	33,616.86
a) In India	76,845.85	33,616.86
b) Outside India	–	–
ii) Provisions of depreciation	2,694.04	–
a) In India	2,694.04	–

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for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
b) Outside India	–	–
iii) Net Value of investments	74,151.81	33,616.86
a) In India	74,151.81	33,616.86
b) Outside India	–	–
2) Movement of provisions held towards depreciation on investments		
i) Opening balance	–	–
ii) Add: Provision made during the year	2,694.04	–
iii) Less: Write-off/Write back of excess provision during the year	–	
iv) Closing balance	2,694.04	–

(iii) Derivatives :-

Forward Rate Agreement / Cross Currency Swaps

Particulars	As at March 31, 2023	As at March 31, 2022
Notional Principal of swap agreements	41,518.44	31,161.35
Loss/(profit) which would be incurred if counterparties failed to fulfil their obligations under the agreements	(2,231.64)	(1,192.75)
Collateral required by the applicable NBFC upon entering into swaps	–	–
Concentration of credit risk arising from swaps	–	–
Fair value of the swap book	(2,231.64)	(1,192.75)

(iv) (a) Disclosures relating to securitisation:-

The Company has entered into various agreements for the securitisation of loans with assignees, wherein it has securitised a part of its loans portfolio amounting to ₹ 1,82,335.58 lakhs during the year ended March 31, 2023 (March 31, 2022 ₹ 71,542.16 Lakhs), being the principal value outstanding as on the date of the deals that are outstanding. The Company is responsible for collection and getting servicing of this loan portfolio on behalf of investors/buyers. In terms of the said securitisation agreements, the Company pays to investor/buyers on agreed date basis the prorata collection amount as per individual agreement terms.

(b) Disclosure for securitisation of Standard Assets outstanding as on reporting date as per RBI circular no.DOR. STR.REC.53/21.04.177/2021-22 dated September, 24, 2021.

Particulars	As at March 31, 2023	As at March 31, 2022
1 No of SPEs holding assets for securitisation transactions originated by the originator	31	9
2 Total amount of securitised assets as per books of the SPEs	130,634.82	54,457.68
3 Total amount of exposures retained by the originator to comply with MRR as on the date of balance sheet	42,000.16	15,269.30
a) Off Balance sheet exposures	–	–
* First loss	–	–
* Others	–	–
b) On Balance sheet exposures	–	–
* First loss	22,224.14	8,575.99
* Others	19,776.02	6,693.31
4 Amount of exposures to securitisation transactions other than MRR	–	–
a) Off Balance sheet exposures	–	–
i) Exposure to own securitizations	–	–
* First loss	–	–
* Others	–	–
ii) Exposure to third party securitizations	–	–

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
* First loss	–	–
* Others	–	–
b) On Balance sheet exposures	–	–
i) Exposure to own securitizations	–	–
* First loss	–	–
* Others	–	–
ii) Exposure to third party securitizations	–	–
* First loss	–	–
* Others	–	–
5 Sale consideration received for the securitised assets and gain/ loss on sale on account of securitisation	183,718.35	68,577.60
6 Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc	–	–
7 Performance of facility provided. Please provide separately for each facility viz. Credit enhancement, liquidity support, servicing agent etc. Mention percent in bracket as of total value of facility provided		
(a) Amount paid	–	–
(b) Repayment received	–	–
(c) Outstanding amount	42,000.16	14,315.35
8 Average default rate of portfolios observed in the past. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc	–	–
9 Amount and number of additional/top up loan given on same underlying asset. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc	–	–
10 Investor complaints (a) Directly/Indirectly received and; (b) Complaints outstanding	–	–

(v) Detail of assignment transactions undertaken:-

The Company has entered into various agreements for the assignments of loans with assignees, wherein it has assigned a part of its loans portfolio amounting to ₹ 2,66,571.74 lakhs during the year ended March 31, 2023 (March 31 2022 ₹ 89,056.92 Lakhs), being the principal value outstanding as on the date of the deals that are outstanding. In terms of accounting policy mentioned in Significant Accounting Policies, The Company has derecognised these loan portfolios. The Company is responsible for collection and getting servicing of this loan portfolio on behalf of investors/buyer In terms of the said assignment agreements, the Company pays to investor/buyers on agreed date basis the prorata collection amount as per individual agreement terms.

(a) Disclosure for transfer of loan exposure as per RBI circular no.DOR.STR.REC.51/21.04.048/2021-22 dated September, 24, 2021.

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
i) Total number of loans assets assigned during the year	898,030	336,467
ii) Book value of loans assets assigned during the year	266,571.74	89,056.92
iii) Sale consideration received during the year	266,571.74	89,056.92
iv) Excess Interest spread recognised on loans assigned during the year	23,776.78	6,059.02

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

(b) Additional Disclosure for transfer of loan exposure as per RBI circular no.DOR.STR.REC.51/21.04.048/2021-22 dated September, 24, 2021.

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
i) Weighted average maturity of loans assets assigned (in Years)	1.53	1.41
ii) Weighted average holding period of loans assets assigned (in Months)	4.87	6.17
ii) Retention of beneficial economic interest on loans assets assigned (in%)	11.27%	11.67%
iv) Coverage of tangible security coverage	NIL	NIL
v) Rating-wise distribution of rated loans.	Not rated	Not rated
vi) Agreed to replace loans transferred to transferee(s) or pay damages arising out of any representation or warranty	No	No

(vi) Details of financial asset sold to Securitisation/Reconstruction Company for asset reconstruction:-

The Company has not sold financial assets to Securitisation/Reconstruction Companies for asset reconstruction in the current and previous year.

(vii) Detail of non-performing financial asset purchased/sold:-

The Company has not purchased non-performing financial asset in the current and previous year, however the company has sold some of its non performing assets in current year. Details of the same has been given in point (D) below.

(viii) Asset Liability Management Maturity pattern of certain items of assets and liabilities:-

As at March 31, 2023

Particulars	Liabilities				Assets		
					Advances		
	Borrowings from Banks	Market Borrowings (other than Banks)	Foreign Borrowings	Payable towards assignment and securitisation transactions	a) Portfolio (including Securitisation)	b) Advances-Others	Invest-ments
1 to 7 Days	2,787.51	1,632.14	–	0.07	6,912.00	20,392.20	–
8 to 14 Days	2,787.51	1,632.14	–	10,811.60	6,912.00	1,038.58	–
15 Days to 30/31 (One Month)	5,575.02	3,264.27	–	7,224.63	9,216.00	774.43	–
Over 1 Month to 2 months	11,795.22	2,641.87	1,335.75	2.07	31,197.31	11,699.27	–
Over 2 months upto 3 months	19,439.47	36,303.65	–	–	30,807.61	6,111.62	–
Over 3 months upto 6 months	66,146.91	28,671.92	–	–	82,560.29	26,397.42	–
Over 6 months upto 1 Year	107,938.81	28,395.56	1,335.75	–	155,019.11	11,261.80	–
Over 1 Year upto 3 Year	78,208.92	94,083.49	17,265.00	–	238,191.20	25,200.12	6,064.19
Over 3 Year upto 5 Year	26.89	11,832.82	17,265.55	–	7,159.68	–	–
Over 5 Year	–	65.48	4,316.39	–	445.98	–	68,087.62
Total	**294,706.26**	**208,523.33**	**41,518.44**	**18,038.37**	**568,421.19**	**102,875.44**	**74,151.81**

As at March 31, 2022

Particulars	Liabilities				Assets		
					Advances		
	Borrowings from Banks	Market Borrowings (other than Banks)	Foreign Borrowings	Payable towards assignment and securitisation transactions	a) Portfolio (including Securitisation)	b) Advances-Others	Invest-ments
1 to 7 Days	10,197.84	2,735.17	–	22.78	5,475.37	84,456.89	–
8 to 14 Days	10,197.84	2,735.17	–	10,642.68	5,475.37	21,764.41	–
15 Days to 30/31 (One Month)	20,395.69	5,470.35	–	7,043.58	10,950.72	16,399.61	163.80
Over 1 Month to 2 months	11,732.62	10,454.35	1,335.75	–	32,739.83	2,664.23	170.82
Over 2 months upto 3 months	17,372.88	34,289.40	314.67	–	29,640.48	7,847.65	160.71

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Liabilities				Assets		
	Borrowings from Banks	Market Borrowings (other than Banks)	Foreign Borrowings	Payable towards assignment and securitisation transactions	Advances: a) Portfolio (including Securitisation)	Advances: b) Advances-Others	Invest-ments
Over 3 months upto 6 months	46,697.28	22,887.35	7,413.54	–	83,525.97	28,114.54	346.03
Over 6 months upto 1 Year	79,423.22	33,879.55	1,650.42	–	130,786.74	11,394.65	112.51
Over 1 Year upto 3 Year	75,050.70	95,217.56	9,119.00	–	181,908.08	18,822.96	3,792.24
Over 3 Year upto 5 Year	20,013.57	16,626.22	10,999.50	–	8,327.59	1.02	–
Over 5 Year	–	73.10	–	–	909.61	–	28,870.75
Total	**291,081.64**	**224,368.22**	**30,832.88**	**17,709.04**	**489,739.76**	**191,465.96**	**33,616.86**

Notes:

i) Above mentioned portfolio (own) does not include undrawn facilities amounting to ₹ 6,650 Lakhs (March 31, 2022 : ₹ 5,950 Lakhs), since there are no sanctioned disbursement schedule.

ii) Unamortised processing fees are included in portfolio and borrowings.

(ix) Exposures:-

(a) Exposure to capital market:- Nil (March 31, 2022 : Nil)

(b) Exposure to real state sector as per below details.

Particulars	As at March 31, 2023	As at March 31, 2022
i) Direct exposure		
a) Residential Mortgages	90.00	–
b) Commercial Real Estate	–	
c) Investments in Mortgage-Backed Securities (MBS) and other securitized exposures		
i. Residential	–	–
ii. Commercial Real Estate	–	–
ii) Indirect Exposure		
Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies	–	–
Total Exposure to Real Estate Sector	**90.00**	**–**

(c) Sectoral exposure as per below details.

Sectors	For the year ended March 31, 2023			For the year ended March 31, 2022		
	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
1. Retail business loans						
Micro finance loan/SHG Loan	525,896.71	17,754.45	3.38%	479,487.09	39,477.14	8.23%
2. Others						
Non- Food Credit - SME	39,099.45	787.28	2.01%	35,014.57	1,718.15	4.91%

(x) Details of Single Borrower Limit (SGL)/Group Borrower Limit (GBL) exceeded by applicable NBFC.

The Company does not have single or group borrower exceeding the limits.

(xi) Unsecured Advances – Refer note 8 of Balance Sheet notes.

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

This disclosure is not applicable as the Company does not have any holding/parent Company.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

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

The Company is registered with following other financial sector regulators:

(a) Ministry of Corporate Affairs (MCA)

(b) Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI)

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

No penalty has been imposed by RBI during the year.

(xv) Related party transactions:-

Please refer to note no 49

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

During the current year, Fitch Solutions India Advisory Private Limited has assigned a MFI grading of 'IRR MFI 1'to our company.

(xvii) Revenue Recognition

Revenue recogniation has not been postponed by the Company during the year (previous year NIL) due to any pending resolutions of significant uncertainties.

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

S. No.	Particulars	Amount (₹ in Crores)	Credit rating agency	Current rating	Previous rating
1	Long-term/short-term fund-based term bank facilities programme	2,500.00	ICRA Limited/ CARE Ratings Limited	[ICRA]A- (Negative)	CARE A-; Negative
2	Long-term Fund-based Term Loan Facilities Programm	40.00	ICRA Limited	[ICRA]A(CE) (Stable)	[ICRA]A(CE) (Stable)
3	Non Convertible Debentures	25.00	ICRA Limited	[ICRA]A- (Negative)	[ICRA]A- (Negative)
4	Non Convertible Debentures	50.00	ICRA Limited	[ICRA]A- (Negative)	NA
5	Non Convertible Debentures	1,829.85	CARE Ratings Limited	CARE BBB+; Stable	CARE A-; Negative
6	Subordinate Debt	100.00	ICRA Limited	[ICRA]A- (Negative)	[ICRA]A- (Negative)
7	Subordinate Debt	30.00	CARE Ratings Limited	CARE BBB+; Stable	CARE A-; Negative
8	Commercial Paper	200.00	ICRA Limited	[ICRA] A1	[ICRA] A1
9	Securitization	35.54	ICRA Limited	Provisional [ICRA] A+(SO)	
10	Securitization	78.80	ICRA Limited	[ICRA] AA (SO)	
11	Securitization	77.21	ICRA Limited	[ICRA] AA (SO)	
12	Securitization	83.23	CARE Ratings Limited	CARE A (SO)	
13	Securitization	53.97	ICRA Limited	[ICRA]AA(SO)	
14	Securitization	148.81	ICRA Limited	[ICRA]AA(SO)	
15	Securitization	78.60	ICRA Limited	Provisional [ICRA] AA-(SO)	
16	Securitization	67.03	ICRA Limited	Provisional [ICRA]A(SO)	
17	Securitization	101.75	ICRA Limited	Provisional [ICRA] AA(SO)	
18	Securitization	50.09	ICRA Limited	[ICRA]AA-(SO)	
19	Securitization	104.00	CARE Ratings Limited	CARE AA- (SO)	
20	Securitization	70.03	ICRA Limited	[ICRA]AA-(SO)	
21	Securitization	71.32	ICRA Limited	Provisional [ICRA] AA-(SO)	
22	Securitization	46.59	ICRA Limited	[ICRA]AA-(SO)	
23	Securitization	70.21	ICRA Limited	Provisional [ICRA] A+(SO)	

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

S. No.	Particulars	Amount (₹ in Crores)	Credit rating agency	Current rating	Previous rating
24	Securitization	28.65	ICRA Limited	[ICRA]AA-(SO)	
25	Securitization	34.61	ICRA Limited	[ICRA]AA-(SO)	
26	Securitization	20.01	ICRA Limited	Provisional [ICRA] A+(SO)	
27	Securitization	81.76	ICRA Limited	[ICRA]AA-(SO)	
28	Securitization	77.01	ICRA Limited	Provisional [ICRA] AA-(SO)	
29	Securitization	39.35	ICRA Limited	[ICRA]A+(SO)	
30	Securitization	79.51	CARE Ratings Limited	CARE A+ (SO)	
31	Securitization	87.03	CARE Ratings Limited	CARE AA (SO)	
32	Securitization	64.50	ICRA Limited	[ICRA]AA-(SO)	
33	Securitization	31.77	ICRA Limited	[ICRA]AA-(SO)	
34	Securitization	28.28	ICRA Limited	Provisional [ICRA] AA-(SO)	
35	Securitization	39.14	ICRA Limited	[ICRA]A-(SO)	
36	Securitization	29.68	ICRA Limited	Provisional [ICRA] A-(SO)	

Note: During the current financial year, below ratings were withdrawn :

1. Long Term Bank facilities and Commercial Paper rating from CARE Ratings Limited.
2. Non Convertible Debentures rating from Brickwork Ratings India Private Limited.

(xvii) Remuneration of directors:-

Particulars	Position	Remuneration		Provident fund and others		Sitting fees	
		For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022
Mr. Harvinder Pal Singh	Chairman & Managing Director	140.32	140.32	14.39	14.39	Nil	Nil
Mr. Satvinder Singh	Non- Executive Director	–	–	–	–	4.25	6.00
Mr. Sundeep Kumar Mehta	Non- Executive Director	–	–	–	–	5.95	7.60
Mrs. Sangeeta Khorana	Non- Executive Director	–	–	–	–	2.50	3.70
Mr. Goh Colin	Non- Executive Director	–	–	–	–	4.55	5.80
Mr. Sanjay Kumar Bhatia	Non- Executive Director	–	–	–	–	4.55	6.10
Mr. Anil Kumar Kalra	Non- Executive Director	–	–	–	–	3.90	5.00
Mr. Christian Bernhard Ramm	Non- Executive Director	–	–	–	–	–	–

(xviii) Additional disclosures:-

(a) **Provisions and contingencies:-**

Break up of Provisions and Contingencies shown under the head expenditure in statement of profit and loss	For the year ended March 31, 2023	For the year ended March 31, 2022
Provision for depreciation on investment	2,694.04	–
Provision towards NPA	(18,883.80)	8,348.98
Provision made towards income tax	(30.37)	3,132.23
Other provision and contingencies (with details)		
i) Provision for compensated absences	163.04	(424.85)
ii) Provision for gratuity	230.74	234.01
Provision for Standard assets	(3,703.90)	(2,814.20)

(b) **Draw down from reserves:-**

There has been no draw down from reserve during the year ended March 31, 2023 (March 31, 2022: Nil)

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

(c) Concentration of advances, exposures and NPAs:-

Particulars	As at March 31, 2023	As at March 31, 2022
Concentration of advances		
Total advance to twenty largest borrowers	28,224.75	23,210.90
% of advance to twenty largest borrowers to total advances	4.87%	4.47%
Concentration of exposures		
Total exposure to twenty largest borrowers/customers	37,665.69	30,060.32
% of exposure to twenty largest borrowers/customers to total exposure	6.41%	5.71%
Concentration of NPAs		
Total exposure of top four NPA account	61.87	78.07
% of exposure to top four NPA account	0.01%	0.02%

(d) Sector-wise NPAs:-

Particulars	As at March 31, 2023	As at March 31, 2022
Sector	Percentage of NPAs to total advance to that sector	
1 Agriculture and allied activities	3.41%	8.02%
2 MSME	4.96%	12.32%
3 Corporate borrowers	0.00%	0.00%
4 Services	2.11%	7.35%
5 Unsecured personal loans	0.00%	0.00%
6 Auto loans	0.00%	0.00%
7 Other personal loans	0.00%	0.00%

(e) Movement of NPAs:-

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
i) Net NPAs to net advance (%)	1.49%	2.47%
ii) Movement of NPAs (Gross)		
a) Opening balance	41,195.29	47,196.37
b) Addition during the year	40,576.76	5,809.84
c) Reduction/ write off during the year	63,230.32	11,810.92
d) Closing balance	18,541.73	41,195.29
iii) Movement of NPAs (Net)		
a) Opening balance	12,225.00	26,575.06
b) Addition during the year	33,712.86	–
c) Reduction/ write off during the year	37,482.62	14,350.06
d) Closing balance	8,455.24	12,225.00
iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
a) Opening balance	28,970.29	20,621.31
b) Addition during the year	6,863.90	14,546.67
c) Reduction/ write off during the year	25,747.70	6,197.69
d) Closing balance	10,086.49	28,970.29

Interest due but not received on portfolio are not included in portfolio.

(f) Overseas assets (for those with Joint Ventures and subsidiaries abroad) – Nil

(g) Off-balance sheet SPVs sponsored – N.A.

Notes to the Standalone Financial Statements
for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

(h) **Customer complaints:-**

Particulars	**For the year ended March 31, 2023**	**For the year ended March 31, 2022**
a) Number of complaints pending at the beginning of the year	51	5
b) Number of complaint received during the year	7,528	11,093
c) Number of complaint redressed during the year	7,524	11,047
d) Number of complaint pending at the end of the year	55	51

(i) **Instances of fraud:-**

Nature of fraud (cash embezzlement by employee)	**For the year ended March 31, 2023**	**For the year ended March 31, 2022**
Number of cases	66	115
Amount of fraud	126.04	155.96
Recovery	6.12	53.19
Amount written off	119.92	102.77

(B) Information on Net Interest Margin :-

Particulars	**Percentage (%)**
For the year ended March 31, 2023	9.60%
For the year ended March 31, 2022	9.40%

(C) Disclosure as required by Para 18 of Non-Banking Financial Company – systemically important non-deposit taking Company and deposit taking Company (Reserve Bank) Directions, 2016 is as under:

Particulars	**Amount Outstanding**	**Amount Overdue**
Liabilities side:		
1 Loans and advances availed by the Non-Banking Financial Company inclusive of interest accrued thereon but not paid:		
(a) Debentures		
: Secured	106,322.76	–
: Unsecured	18,533.24	–
(other than falling within the meaning of Public deposits)		
(b) Deferred Credits	–	–
(c) Term Loans	308,897.29	–
(d) Inter-corporate loans and borrowing	–	–
(e) Commercial Paper	–	–
(f) Public deposits		
(g) Other Loans :		
Other unsecured loans against assets of the Company	–	–
Secured loans against assets of the Company	152.78	–
Overdraft facility	–	–
Liability against securitised assets	114,564.33	–
Liability against leased assets	1,236.37	–
Preference shares other than those that qualify as equity	–	–
2 Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):	-	-
(a) In the form of Unsecured debentures	-	-
(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-
(c) Other public deposits	-	-

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Assets side :	Amount Outstanding
3 Break-up of Loans and advances including bills receivables (other than those included in (4) below) :	
(a) Secured	4,883.97
(b) Unsecured	575,422.24
4 Break-up of Leased Assets and stock on hire and other assets counting towards	
AFC activities	
(I) Lease assets including lease rentals under sundry debtors :	
(a) Financial lease	–
(b) Operating lease	–
(II) Stock on hire including hire charges under sundry debtors :	
(a) Assets on hire	–
(b) Repossessed Assets	–
(III) Other loans counting towards AFC activities	
(a) Loans where assets have been repossessed	–
(b) Loans other than (a) above	–
5 Break-up of Investments :	
Current Investments :	
1. Quoted :	
(I) Shares :	
(a) Equity	–
(b) Preference	–
(II) Debentures and Bonds	–
(III) Units of mutual funds	–
(IV) Government Securities	–
(V) Others (please specify)	–
2. Unquoted :	
(I) Shares :	
(a) Equity	–
(b) Preference	–
(II) Debentures and Bonds	–
(III) Units of mutual funds	–
(IV) Government Securities	–
(V) Others :	
(a) Certificate of Deposit	–
(b) Commercial Paper	–
Long Term Investments :	
1. Quoted :	
(I) Shares :	
(a) Equity	–
(b) Preference	–
(II) Debentures and Bonds	–
(III) Units of mutual funds	–
(IV) Government Securities	–
(V) Others (please specify)	–
2. Unquoted :	
(I) Shares :	
(a) Equity	67,975.91
(b) Preference	111.19
(II) Debentures and Bonds	–
(III) Units of mutual funds	–
(IV) Government Securities	0.51
(V) Others (Pass through Certificates and Security Receipts)	8,758.24
Total	**76,845.85**

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

6 Borrower group-wise classification of assets financed as in (3) and (4) above:

Category	Particulars				Total
	Secured	Unsecured	Provision - Secured	Provision - Unsecured	
1. Related Parties					
(a) Subsidiaries	–	6,250.00	–	5.70	6,244.30
(b) Companies in the same group	–	–	–	–	–
(c) Other related parties	–	59.12	–	0.10	59.02
2. Other than related Parties	4,883.97	569,113.12	839.07	11,040.15	562,117.87
Total	**4,883.97**	**575,422.24**	**839.07**	**11,045.95**	**568,421.19**

7 Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

Category	Market Value/ Breakup or fair value or NAV	Book Value (Net of Provision)
1. Related Parties		
(a) Subsidiaries	67,975.91	32,760.14
(b) Companies in the same group	–	–
(c) Other related parties	–	–
2. Other than related Parties	8,869.94	6,174.71
Total	**76,845.85**	**38,934.85**

8 Other information

Particulars	Amount
(I) Gross Non-Performing Assets	18,541.73
(a) Related parties	–
(b) Other than related parties	18,541.73
(II) Net Non-Performing Assets	8,455.24
(a) Related parties	–
(b) Other than related parties	8,455.24
(III) Assets acquired in satisfaction of debt	**–**

9 Pursuant to RBI circular RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 04, 2019, Liquidity credit risk disclosures are presented as below:

Qualitative Disclosure on LCR

As per Reserve Bank of India guidelines, all deposit-taking NBFCs irrespective of their asset size and non-deposit-taking NBFCs with an asset size of ₹ 5,000.00 crore and above are required to maintain a liquidity coverage ratio (LCR) to ensure availability of adequate high-quality liquid assets (HQLA) to survive any acute liquidity stress scenario i.e, cash outflow increased to 115% and cash inflow decreased to 75%, lasting for 30 days. As per RBI guidelines,LCR has been calculated using the simple average of daily observations (over a period of 90 days).

Cash outflows under secured funding include contractual payments of the term loan, NCDs, and other debt obligations including interest payments. To compute inflow from fully performing exposures, the company considers collection from performing advances including interest due in the next 30 days. Other cash inflows include cash from unencumbered fixed deposits, Certificates of deposits, and mutual fund investments maturing in the next 30 days. The LCR as of March 31, 2023, is 133.53%, which is above the regulatory requirement of 60%.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

(i) LCR Disclosure

	Particulars	As at March 31, 2023		As at December 31, 2022		As at September 30, 2022		As at June 30, 2022	
		Total Unweighted Amount [1]	Total Weighted Amount [2]	Total Unweighted Amount [1]	Total Weighted Amount [2]	Total Unweighted Amount [1]	Total Weighted Amount [2]	Total Unweighted Amount [1]	Total Weighted Amount [2]
	High Quality Liquid Assests (HQLAs)								
1	Total High Quality Liquid Assests (HQLA)	13,720.69	13,308.83	12,242.80	11,982.98	11,719.01	11,429.98	12,051.82	12,038.49
	Cash Outflows								
2	Deposits (for deposit taking companies)	–	–	–	–	–	–	–	–
3	Unsecured wholesale funding	955.41	1,098.72	1,633.25	1,878.24	5,605.36	6,446.17	2,536.56	2,917.05
4	Secured wholesale funding	24,112.18	27,729.00	21,702.62	24,958.01	25,333.98	29,134.08	30,794.25	35,413.39
5	Additional requirements, of which								
i	Outflows related to derivative exposures and other collateral requirements	596.58	686.07	596.58	686.07	596.58	686.07	596.58	686.07
ii	Outflows related to loss of funding on debt products	–	–	–	–	–	–	–	–
iii	Credit and liquidity facilities	–	–	–	–	–	–	–	–
6	Other contractual funding obligations	9,003.72	10,354.28	8,826.10	10,150.02	6,809.19	7,830.57	4,920.79	5,658.91
7	Other contingent funding obligations	–	–	–	–	–	–	–	–
8	**TOTAL CASH OUTFLOWS**	**34,667.89**	**39,868.07**	**32,758.55**	**37,672.34**	**38,345.11**	**44,096.89**	**38,848.18**	**44,675.42**
	Cash Inflows								
9	Secured lending	–	–	–	–	–	–	–	–
10	Inflows from fully performing exposures	35,134.45	26,350.84	35,777.16	26,832.87	33,846.17	25,384.63	38,411.99	28,808.99
11	Other cash inflows	12,976.45	9,732.33	8,025.82	6,019.36	26,140.46	19,605.34	15,813.53	11,860.15
12	**TOTAL CASH INFLOWS**	**48,110.89**	**36,083.17**	**43,802.98**	**32,852.23**	**59,986.63**	**44,989.97**	**54,225.52**	**40,669.14**
13	**TOTAL HQLA**	**13,720.69**	**13,308.83**	**12,242.80**	**11,982.98**	**11,719.01**	**11,429.98**	**12,051.82**	**12,038.49**
14	**TOTAL NET CASH OUTFLOWS**	**8,666.97**	**9,967.02**	**8,189.64**	**9,418.09**	**9,586.28**	**11,024.22**	**9,712.05**	**11,168.86**
15	**LIQUIDITY COVERAGE RATIO (%)**		**133.53%**		**127.23%**		**103.68%**		**107.79%**
	Components of HQLA								
	Cash on hand and balance with banks in current accounts	10,957.69	10,957.69	10,510.63	10,510.63	9,792.13	9,792.13	11,962.93	11,962.93
	Government Securities	–	–	–	–	–	–	–	–
	Corporate Bonds	–	–	–	–	–	–	–	–
	Commercial Papers	2,745.70	2,333.84	1,732.17	1,472.34	1,926.88	1,637.85	88.89	75.56

[1]Unweighted values have been calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows).

[2]Weighted values have been calculated after the application of respective haircuts (for HQLA) and stress factors on inflow and outflow

(ii) Funding Concentration based on significant counterparty

Sr. No.	Number of Significant Counterparties	Amount*	% of Total deposits	% of Total Liabilities
1	Twenty Eight	455,118.90	N.A.	79.40%

*Accured interest but not due and unamortised transaction costs are included in borrowings.

(iii) Top 20 large deposits

There are no deposits accepted by the company during the year as company is non-deposit taking NBFC.

(iv) Top 10 borrowings

Sr. No.	For the Financial Year ended	Amount*	% of total borrowings
1	March 31, 2023	293,161.14	54.47%
2	March 31, 2022	280,340.38	51.32%

*Accured interest but not due and unamortised transaction costs are not included in borrowings.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

(v) Funding Concentration based on significant instrument/product

Sr. No.	Nature of significant instrument/product	As at March 31, 2023		As at March 31, 2022	
		Amount*	% of Total Liabilities	Amount*	% of Total Liabilities
1	Non-convertible debentures	121,770.33	21.25%	137,948.55	23.91%
2	Term loans	266,278.51	46.46%	304,847.36	52.84%
3	Overdraft facility against term deposits	–	0.00%	19,418.55	3.37%
4	External commercial borrowings	40,898.49	7.14%	30,831.82	5.34%
5	Commercial paper	–	0.00%	2,441.29	0.42%
6	Preference shares other than those that qualify as equity	–	0.00%	–	0.00%
7	Liability against securitised assets	114,564.33	19.99%	50,294.24	8.72%
8	Liability against leased assets	1,236.37	0.22%	500.93	0.09%
	Total	**544,748.03**	**95.04%**	**546,282.74**	**94.69%**

*Unamortised processing fees are included in borrowings.

(vi) Stock Ratios:

	Particulars	As at March 31, 2023						
		Amount	Total public funds	Total liabilities	Total assets	% of Total public funds	% of Total liabilities	% of Total assets
1	Commercial papers	–	544,748.04	573,167.97	764,539.65	0.00%	0.00%	0.00%
2	Non-convertible debentures (original maturity of less than one year)	–	544,748.04	573,167.97	764,539.65	0.00%	0.00%	0.00%
3	Other short-term liabilities (excluding commercial paper)	34,385.72	544,748.04	573,167.97	764,539.65	6.31%	6.00%	4.50%

	Particulars	As at March 31, 2022						
		Amount	Total public funds	Total liabilities	Total assets	% of Total public funds	% of Total liabilities	% of Total assets
1	Commercial papers	2,441.29	546,282.74	576,915.67	737,540.50	0.45%	0.42%	0.33%
2	Non-convertible debentures (original maturity of less than one year)	–	546,282.74	576,915.67	737,540.50	0.00%	0.00%	0.00%
3	Other short-term liabilities (excluding commercial paper)	48,525.81	546,282.74	576,915.67	737,540.50	8.88%	8.41%	6.58%

(vii) Institutional set-up for liquidity risk management

The company has a robust risk management system in place. To ensure smooth functioning of business operations, the company maintains adequate liquidity in the form of cash, Bank Balances, and mutual funds. The company has a Risk Management Committee of the Board (RMCB) and is further sub-delegated to the Executive Risk Management Committee and the Asset Liability Management Committee (ALCO). The responsibility of the ALCO is to manage liquidity risk. ALCO reviews and ensures compliance with policies, frameworks, internal limits, and regulatory limits related to ALM and update the same to the board. The Executive Risk Management Committee is responsible for overseeing the implementation of risk management framework across SCNL and providing recommendations to the RMCB. RMCB meetings are held at periodic intervals.

Notes to the Standalone Financial Statements
for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

(D) Details of stressed loans transferred during the year (to be made separately for loans classified as NPA and SMA) in accordance with RBI Master Direction- Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 dated September 24, 2021

(a) Details of NPA loans sold during the year

Sr. No.	Particular	To ARCs		To permitted transferees	
		For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022
1	No: of accounts	23,081	13,695	–	–
2	Aggregate principal outstanding (including interest accrued) of loans transferred	10,000.03	5,314.81	–	–
3	Weighted average residual tenor of the loans transferred (months)	3.70	4.65	–	–
4	Net book value of loans transferred (at the time of transfer)*	10,000.03	5,314.81	–	–
5	Aggregate consideration	8,650.00	5,300.00	–	–
6	Additional consideration realized in respect of accounts transferred in earlier years	–	–	–	–

*excludes ECL provision of ₹ 3,555.42 lakhs (March 31, 2022 : ₹ 2,097.76 lakhs) which has been reversed on account of sale of portfolio of such loans.

(b) There are no loans acquired during the year.

(d) Distribution of the SRs held across the various categories of Recovery Ratings assigned to such SRs by the credit rating agencies.

Sr. No.	Security Receipts	Category of Recovery Ratings	For the year ended March 31, 2023	For the year ended March 31, 2022
1	Security Receipts in Prudent Trust 67/22	IVR RR2	3,276.02	4,505.00
2	Security Receipts in Prudent Trust 70/22	IVR RR3	5,354.41	–
			8,630.43	**4,505.00**

(E) 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,

Sr. No.	Type of borrower	As at March 31, 2023				
		Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at September 30, 2022 (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at March 31, 2023
1	Personal Loans	–	–	–	–	–
2	Business Loan - JLG	25,739.51	4,392.62	2,233.53	13,945.37	5,167.99
3	Business Loan - Others	64.92	–	–	14.72	50.20
4	Corporate persons*	103.40	–	–	10.24	93.16
	Total	**25,907.83**	**4,392.62**	**2,233.53**	**13,970.33**	**5,311.35**

Sr. No.	Type of borrower	As at September 30, 2022				
		Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at March 31, 2022 (A)	Of (A) amount written off 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 September 30, 2022
1	Personal Loans	–	–	–	–	–
2	Business Loan - JLG	86,378.95	4,134.58	29,935.58	26,569.28	25,739.51

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Sr. No.	Type of borrower	As at September 30, 2022				
		Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at March 31, 2022 (A)	Of (A) amount written off 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 September 30, 2022
3	Business Loan - Others	78.48	–	–	13.56	64.92
4	Corporate persons*	112.80	–	–	9.40	103.40
	Total	**86,570.23**	**4,134.58**	**29,935.58**	**26,592.24**	**25,907.83**

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

Note 58 : Additional disclosures in terms of RBI circular RBI/2022-23/26 DOR.ACC.REC.No.20/21.04.018/2022-23 dated April 19, 2022 which are not covered in above notes.

A Unhedged foreign currency exposure

There is no unhedged foreign currency exposure as on reporting date.

B Disclosure of complaints

1. Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman.

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Complaints received by the NBFC from its customers		
Number of complaints pending at beginning of the year	51	5
Number of complaints received during the year	7,528	11,093
Number of complaints disposed during the year	7,524	11,047
Of which, number of complaints rejected by the NBFC	11	–
Number of complaints pending at the end of the year	55	51
Maintainable complaints received by the NBFC from Office of Ombudsman		
Number of maintainable complaints received by the NBFC from Office of Ombudsman	13	5
Number of complaints resolved in favour of the NBFC by Office of Ombudsman	13	5
Number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	–	–
Number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	–	–
Number of Awards unimplemented within the stipulated time (other than those appealed)	–	–

2. Top five grounds of complaints received by the NBFCs from customers.

Grounds of complaints (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
For the year ended March 31, 2023					
Application Stage Related	–	2,337	–35%	1	–
Related to Staff Behaviour	17	1,534	–14%	15	–
Related to Insurance/ Hospicash	18	1,230	–59%	6	–
Credit Bureau Related	4	1,010	20%	7	–

Notes to the Standalone Financial Statements
for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Grounds of complaints (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
Recovery Stage Related	7	544	–53%	10	–
Third Party Product	3	465	–6%	3	–
Disbursement Related	–	306	100%	8	–
Digital Transaction	1	44	–74%	3	–
Loan Interest Related	–	1	100%	–	–
Related to Digital Lending	–	1	100%	–	–
Loan Tenure Related	–	1	100%	–	–
Miscellaneous/Others	1	55	0%	2	–
Total	**51**	**7,528**	**–32%**	**55**	**–**
For the year ended March 31, 2022					
Application Stage Related	–	3,596	81.43%	–	–
Related to Staff Behaviour	1	1,793	78.23%	17	3
Related to Insurance/ Hospicash	3	2,998	91.93%	18	7
Credit Bureau Related	–	840	11.55%	4	–
Recovery Stage Related	–	1,150	100.00%	7	–
Third Party Product	–	494	–18.88%	3	–
Disbursement Related	–	–	0.00%	–	–
Digital Transaction	1	167	475.86%	1	–
Loan Interest Related	–	–	0.00%	–	–
Related to Digital Lending	–	–	0.00%	–	–
Loan Tenure Related	–	–	0.00%	–	–
Miscellaneous/Others	–	55	–65.63%	1	–
Total	**5**	**11,093**	**81.82%**	**51**	**10**

C Intra-group exposures as on March 31, 2023

i) Total amount of intra-group exposures - ₹ 13,566.32 lakh

ii) Total amount of top 20 intra-group exposures - ₹ 13,566.32 lakh

iii) Percentage of intra-group exposures to total exposure of the NBFC on borrowers/customers - 2.30%

D Instances of breach of covenant of loan availed or debt securities issued.

Breach of covenant	As at March 31, 2023
Number of instances	19
Amount involved (₹ in crores)	1,042.00

E There are no instances of Divergence in Asset Classification and Provisioning norms identified by RBI for the financial year.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Note 59 : Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

Particulars	As at March 31, 2023	As at March 31, 2022
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	23.87	172.02
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	–	–
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	–	–
The amount of interest accrued and remaining unpaid at the end of each accounting year.	–	–
The amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	–	–

Note 60 : Additional information pursuant to Ministry of Corporate Affairs notification dated March 24, 2021 with respect to amendments in Schedule III of Companies Act, 2013

(i) All the borrowings of the company are used for the specific purpose for which it was taken.

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

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

(iv) The Company reviews transactions on an ongoing basis to identify if there are any transactions with struck off companies. To the extent information is available on struck off companies, there are no transactions with struck off companies except as mentioned below.

Name of the company	Nature of transaction	Amount of transaction	Balance outstanding	Relationship
Mekhal Hospitality Services Pvt. Ltd.	Tour & Travel Expense	0.03	Nil	None
KYR Broadband Service Pvt. Ltd.	Internet charges	0.09	Nil	None

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

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

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

(vii) There are no transactions which are not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

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

(ix) Analytical ratios

Ratio	Numerator	Denominator	March 31, 2023	March 31, 2022	% Variance	Reason for variance (if above 25%)
Capital to risk-weighted assets ratio (CRAR)						
- Tier I CRAR	122,559.70	483,749.80	25.33%	23.25%	8.99%	NA
- Tier II CRAR	6,233.76	483,749.80	1.29%	4.59%	–71.92%	Repayment of subordinate liablilties.
Liquidity coverage ratio	13,308.83	9,967.02	133.53%	241.43%	–107.90%	Optimum liquidity maintained in current year.

Note 61 : Previous year figures have been regrouped/rearranged, wherever considered necessary, to conform to the classification/ disclosure adopted in the current year.

For **S S Kothari Mehta & Company**
Chartered Accountants
Firm's Registration No. 000756N
Naveen Aggarwal
Partner
Membership Number: 094380

Place: Gurugram
Date: April 29, 2023

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

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

Satvinder Singh
(Director)
DIN: 00332521

Sanjay Kumar Bhatia
(Chairman Audit Committee cum Director)
DIN: 07033027

Rakesh Sachdeva
(Chief Financial Officer)

Vikas Gupta
(Company Secretary & Compliance Officer)
Membership Number: A24281

Place: Gurugram
Date: April 29, 2023

Independent Auditor's Report

To the Members of
Satin Creditcare Network Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Satin Creditcare Network Limited** (the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as the "Group") which comprise the Consolidated Balance Sheet as at March 31, 2023, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid Consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2023, of consolidated profit & total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

Matter related to subsidiary Company – Satin Finserv Limited (SFL)

We draw attention to Note no. 54 to the consolidated financial statements which explain that, during the year, Taraashna Financial Services Limited (i.e. "TFSL") (amalgamating entity) was amalgamated with Satin Finserv Limited vide Hon'ble NCLT Order dated January 31, 2023. The scheme got effective from March 01, 2023. The Appointed Date of Scheme is April 01, 2021. By the effect of Appointed Date (i.e., April 01, 2021), the financial numbers of SFL for the financial year ended March 31, 2022, are also restated due to amalgamation of the merged entity i.e. TFSL with the SFL.

We further draw attention to Note No 54 to the consolidated financial statements which explains that due to the amalgamation of the amalgamating entity with the SFL, which is registered as a Non-Banking Financial Company (NBFC), as on March 31, 2023, SFL is not fulfilling Principal Business Criteria laid down by the RBI. As per the criteria, at least 50% of total assets of the SFL should be financial assets and at least 50% of the gross income should be from financial activities. SFL meets the first criteria but does not meet the second criteria as on March 31,2023. However, the RBI vide letter dated July 22,2022, has granted time to SFL till March 31, 2024, for fulfilling the said criteria.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditor's Response
In Respect of Holding Company **Use of information processing system for accounting and financial reporting** The Company is operating in Financial Services Sector, where in due to large volume processing, the accounting & reporting of financial information is reliant on information processing systems and Information Technology (IT) backed internal controls. The controls implemented by the Company in its IT environment determine the integrity, accuracy, completeness and validity of data that is processed by the applications and is ultimately used for financial reporting. Since our audit strategy included focus on entity's information processing systems relevant to our audit due to their pervasive impact on the standalone financial statements, we have determined the use of information processing system for accounting and financial reporting as a key audit matter for the current year audit.	**Principal Audit Procedures** Our key audit procedures on this matter included, but were not limited, to the following: (a) obtained an understanding of the Company's information processing systems, IT General Controls and automated IT controls for applications, databases and operating systems relevant to our audit; (b) Performance of the following procedures: i. tested the IT General Controls around user access management, system change management, and IT operational controls along with segregation of duties around program maintenance, security administration and over key financial accounting and reporting processes; ii. tested the design and operating effectiveness of the Company's periodic review of access rights. We also tested requests of changes to systems for approval and authorization; iii. tested the automated controls like interfaces and information generated by the entity's information processing systems for loans, interest income and other significant financial statement items; and iv. in addition to the above, we tested the design and operating effectiveness of certain automated controls that were considered as key internal controls over financial reporting (c) obtained written representations from management and those charged with governance on whether IT general controls and automated IT controls are designed and were operating effectively during the period covered by our audit.
In respect of Holding Company **Impairment of Financial Assets as at Balance Sheet date (Expected Credit losses on loans)** ***[Refer Note No. 3(k) for the accounting policy and Note No. 44 for the related disclosures of Standalone Financials of the Company]*** As at March 31, 2023, the Company has financial assets (loans) amounting to ₹ 5,68,421.19 lakhs including loans which are carried at fair value through other comprehensive income amounting to ₹ 3,71,636.22 lakhs. As per Ind AS 109 - Financial Instruments, the Company is required to recognize loss allowance for expected credit losses (ECL) on financial assets. ECL involves an estimation of probability weighted loss on financial instruments over their life, considering reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions which could impact the credit quality of the Company's loans and advances.	**Principal Audit Procedures** Our audit focused on assessing the appropriateness of management's judgment and estimates used in the impairment analysis through the following procedures, but were not limited to the following procedures: a) performed a walkthrough of the impairment loss allowance process and assessed the design effectiveness of controls; b) read and assessed the Company's accounting policies for impairment of financial assets and their compliance with Ind AS 109 and the governance framework approved by the Board of Directors pursuant to guidelines issued by Reserve Bank of India. c) obtained an understanding of the model adopted by the Company including key inputs, assumptions and management overlays for calculation of expected credit losses on the assumptions and how management calculated the expected credit losses and the appropriateness of data on which the calculation is based; d) obtained the reports of the expert appointed by the management and assessed the expert's professional competence, independence and objectivity in developing the ECL model; e) evaluated the appropriateness of the Company's determination of significant increase in credit risk in accordance with the applicable Ind AS.

Key Audit Matter	Auditor's Response
ECL is calculated using the percentage of probability of default (PD), loss given default (LGD) and exposure at default (EAD) for each of the stages of loan portfolio. ECL is measured at 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 loan assets. Significant management judgment and assumptions involved in measuring ECL is required with respect to: • determining the criteria for a significant increase in credit risk (SICR) • factoring in future economic assumptions • techniques used to determine probability of default, loss given default and exposure at default. These parameters are derived from the Company's internally developed statistical models with the help of experts appointed by the management and other historical data.	f) as modeling assumptions and parameters are based on historical data, we assessed whether historical experience was representative of current circumstances and was relevant in view of the recent impairment losses incurred within the portfolios; Assessed the criteria for staging of loans based on their past due status to check compliance with requirement of Ind AS 109. Tested a sample of performing (stage 1) loans to assess whether any SICR or loss indicators were present requiring them to be classified under higher stages. g) tested the design and operating effectiveness of the key controls over completeness and accuracy of the key inputs and assumptions considered for calculation, recording and monitoring of the impairment loss recognized; h) tested the accuracy of inputs through substantive procedures and assessed the reasonableness of the assumptions used; i) developed a point estimate by making reference to the expected credit losses recognized by entities that carry comparable financial assets; j) tested the arithmetical calculation of the expected credit losses; k) assessed the appropriateness and adequacy of the related presentation and disclosures in the accompanying financial statements in accordance with the applicable Ind AS and related RBI circulars and Resolution Framework; and l) obtained written representations from management and those charged with governance whether they believe significant assumptions used in calculation of expected credit losses are reasonable.

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

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility and Sustainability Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the other information identified above, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Boards of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Boards of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Boards of Directors either intend to liquidate their respective entities or to cease operations, or have no realistic alternative but to do so.

The respective Boards of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern.

  If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of the Holding Company included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets of ₹ 81,217.68 lakhs as at March 31, 2023, total revenues of ₹ 16,837.90 Lakhs, Net Profit after Tax of ₹ 1,198.66 lakhs, total Comprehensive Income of ₹ 1,036.80 lakhs and cash outflow (net) amounting to ₹ 802.13 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management of the Holding Company and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries based solely on the reports of the other auditors.

Our opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, based on our audit we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

   c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.

   e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2023 from being appointed as a director in terms of 164 (2) of the Act.

   f. With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in “Annexure A” which is based on the auditors’ reports of the Holding Company and its subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.

   g. With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended:

      In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

      i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.

      ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long- term contracts including derivative contracts;

      iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.

      iv) (a) The respective Management of the Holding Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Management of the Holding Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Holding Company or any of such subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v) The Holding Company or its subsidiaries have not declared or paid any dividend during the year and has not proposed final dividend for the year.

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

2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and further to the comments in "Annexure A" to Independent Auditor's Report on Standalone Financial Statements issued by us and auditors of its subsidiaries included in the consolidated financial statements of the Company, we report that there are no qualifications or adverse remarks in these CARO reports.

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

Naveen Aggarwal
Partner
Membership No.094380
UDIN : 23094380BGUMXY8140

Place : Gurugram
Date : April 29, 2023

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Satin Creditcare Network Limited of even date)

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

In conjunction with our audit of the consolidated financial statements of the Holding Company as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to financial statements of Satin Creditcare Network Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Boards of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal control with reference to financial statements of the Holding Company and its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal control with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to financial statements of the Holding Company and its subsidiary companies, which are companies incorporated in India.

Meaning of Internal Financial Controls with reference to the financial statements

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

Inherent Limitations of Internal Financial Controls with reference to the financial statements

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to the financial statements and such internal financial controls with reference to the financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to the financial statements established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

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

Naveen Aggarwal
Partner
Membership No.094380
UDIN : 23094380BGUMXY8140

Place : Gurugram
Date : April 29, 2023

Consolidated Balance Sheet

as at March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
Financial Assets			
Cash and cash equivalents	4	25,770.63	109,126.48
Other bank balances	5	85,665.12	91,067.88
Derivative financial instruments	6	2,231.64	1,192.75
Trade receivables	7	539.45	276.08
Loans	8	632,885.67	530,842.27
Investments	9	6,175.90	4,856.62
Other financial assets	10	2,312.80	2,902.89
		755,581.21	**740,264.97**
Non-financial Assets			
Current tax assets (net)	11	4,327.55	526.10
Deferred tax assets (net)	12	8,857.48	8,253.66
Investment Property	13	664.26	698.26
Property, plant and equipment	14	8,681.88	8,282.18
Capital work-in-progress	14	–	17.89
Goodwill		3,370.66	3,370.66
Other intangible assets	15	179.17	230.40
Other non-financial assets	16	3,294.60	3,882.94
		29,375.60	**25,262.09**
TOTAL ASSETS		**784,956.81**	**765,527.06**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Payables			
Trade payables	17		
(i) total outstanding dues of micro enterprises and small enterprises		10.42	10.42
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		497.45	1,268.06
Other payables	18		
(i) total outstanding dues of micro enterprises and small enterprises		23.87	172.02
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1,527.78	1,520.19
Debt securities	19	109,643.58	119,241.39
Borrowings (other than debt securities)	20	444,358.26	408,079.96
Subordinated liabilities	21	37,122.90	47,030.53
Other financial liabilities	22	27,071.94	28,001.28
		620,256.20	**605,323.85**
Non-financial Liabilities			
Provisions	23	934.35	982.33
Other non-financial liabilities	24	953.82	1,035.54
		1,888.17	**2,017.87**
EQUITY			
Equity share capital	25	8,479.63	7,459.12
Other equity	26	154,332.81	150,726.22
		162,812.44	**158,185.34**
TOTAL LIABILITIES AND EQUITY		**784,956.81**	**765,527.06**

Statement of significant accounting policies and other explanatory notes. 1-3

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

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

Naveen Aggarwal
Partner
Membership Number: 094380

Place: Gurugram
Date: April 29, 2023

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

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

Satvinder Singh
(Director)
DIN: 00332521

Sanjay Kumar Bhatia
(Chairman Audit Committee cum Director)
DIN: 07033027

Rakesh Sachdeva
(Chief Financial Officer)

Vikas Gupta
(Company Secretary & Compliance Officer)
Membership Number: A24281

Place: Gurugram
Date: April 29, 2023

Consolidated Statement of Profit and Loss

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
I. Income			
Revenue from operations			
Interest income	27	124,896.84	122,773.49
Dividend income	28	0.17	3.15
Rental income	29	38.28	35.63
Fees and commission income	30	7,674.41	8,126.77
Net gain on fair value changes	31	1,415.45	1,423.43
Net gain on derecognition of financial instruments	32	21,571.16	5,165.51
Other operating income	33	132.73	176.60
Total Revenue from operations		**155,729.04**	**137,704.58**
Other income	34	173.29	409.40
Total Income		**155,902.33**	**138,113.98**
II. Expenses			
Finance costs	35	61,673.10	63,071.51
Impairment on financial instruments	36	40,808.22	18,073.66
Employee benefit expenses	37	38,760.29	39,312.43
Depreciation and amortisation expense	38	1,839.37	1,609.77
Other expenses	39	12,297.28	12,628.75
Total		**155,378.26**	**134,696.12**
Profit before tax		**524.07**	**3,417.86**
Tax expense:	40		
Current tax		(48.89)	3,402.70
Deferred tax		91.65	(2,054.73)
Total tax expenses		**42.76**	**1,347.97**
Profit after tax		**481.31**	**2,069.89**
Other comprehensive income			
Items that will not be reclassified to profit and loss			
Re-measurements of the defined benefit plans		(47.92)	19.57
Equity instruments through other comprehensive income		(2,731.61)	–
Income tax relating to above items		699.85	(5.11)
	A	**(2,079.68)**	**14.46**
Items that will be reclassified to profit and loss			
Changes in fair value of loan assets		44.87	(3,915.05)
Income tax relating to above item		(11.30)	985.28
Cash flow hedge reserve		(27.48)	–
Income tax relating to above item		6.92	–
	B	**13.01**	**(2,929.77)**
Other comprehensive income	A+B	**(2,066.67)**	**(2,915.31)**
Total comprehensive income		**(1,585.36)**	**(845.42)**
Net profit after tax attributable to			
Owners of the Parent Company		481.31	2,069.89
Non-controlling interests		–	–
Other comprehensive income attributable to			
Owners of the Parent Company		(2,066.67)	(2,915.31)
Non-controlling interests		–	–
Total comprehensive income attributable to			
Owners of the Parent Company		(1,585.36)	(845.42)
Non-controlling interests		–	–
Earnings per equity share (face value of ₹ 10 per equity share)	41		
Basic (₹)		0.62	2.96
Diluted (₹)		0.59	2.72

Statement of significant accounting policies and other explanatory notes. 1-3

This consolidated Statement of Profit and Loss referred to in our report of even date.

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

Naveen Aggarwal
Partner
Membership Number: 094380

Place: Gurugram
Date: April 29, 2023

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

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

Satvinder Singh
(Director)
DIN: 00332521

Sanjay Kumar Bhatia
(Chairman Audit Committee cum Director)
DIN: 07033027

Rakesh Sachdeva
(Chief Financial Officer)

Vikas Gupta
(Company Secretary & Compliance Officer)
Membership Number: A24281

Place: Gurugram
Date: April 29, 2023

Consolidated Cash Fow Statement

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
A Cash flow from operating activities		
Profit before tax	524.07	3,417.86
Adjustments for:		
Depreciation and amortisation	1,229.41	1,284.30
Depreciation of right-of-use assets	609.96	289.72
Net (gain)/loss on derecognition of property, plant and equipment	(9.95)	20.03
Fair value gain on mutual funds	(375.37)	(264.81)
Unrealised gain on fair value changes of derivatives and investments	(1,040.08)	(1,158.62)
Property, plant and equipment written off	6.01	39.14
Impairment on financial instruments	40,808.22	18,073.66
Dividend income	(0.17)	(3.15)
Gain on sale of loan portfolio through assignment	(21,571.16)	(5,165.51)
First loss default guarantee expenses	104.69	2,956.11
Share based payment to employees	–	(38.85)
Effective interest rate adjustment for financial instruments	1,545.17	1,931.83
Interest expense for leasing arrangements	141.07	89.03
Net gain on termination of leases	(7.59)	(7.78)
Unrealised exchange fluctuation loss (net)	519.90	367.92
Operating profit before working capital changes	**22,484.18**	**21,830.88**
Movement in working capital		
(Increase)/decrease in trade receivables	(263.37)	1,669.44
(Increase)/decrease in loans	(118,516.18)	33,465.92
Decrease/(increase) in fixed deposits	5,402.76	(11,638.69)
Decrease in other financial assets	564.72	1,070.80
Decrease/(increase) in other non-financial assets	588.34	(1,164.67)
Decrease in trade and other payables	(911.17)	(392.88)
Decrease in other financial liabilities	(1,040.32)	(6,731.16)
Decrease in provisions	(95.90)	(640.95)
(Decrease)/increase in other non-financial liabilities	(81.72)	164.56
Cash (used in)/generated from operating activities post working capital changes	**(91,868.66)**	**37,633.25**
Income taxes paid (net)	(3,765.43)	(4,016.68)
Net cash (used in)/generated from operating activities (A)	**(95,634.09)**	**33,616.57**
B Cash flows from investing activities		
Purchase of property, plant and equipment	(969.19)	(593.53)
Proceeds from sale of property, plant and equipment	72.26	44.36
Purchase of intangible assets	(24.51)	–
Dividend income	0.17	3.15
Purchase of investments	(530,931.63)	(477,085.63)
Sale of investments	524,563.07	472,551.88
Net cash used in investing activities (B)	**(7,289.83)**	**(5,079.77)**
C Cash flows from financing activities (refer to note i below)		
Proceeds from issue of share capital and share warrants (including premium and net of share issue expenses)	6,218.75	10,453.10
Proceeds from debt securities	28,209.32	29,585.32
Repayment of debt securities	(38,043.56)	(81,783.71)
Proceeds from borrowings other than debt securities	424,769.35	319,963.64
Repayment of borrowings other than debt securities	(371,545.96)	(316,735.27)
Lease payments	(730.18)	(354.99)
Repayment of subordinated liabilities	(9,890.93)	(5,370.18)
Net cash generated from/(used in) financing activities (C)	**38,986.79**	**(44,242.09)**
Net decrease in cash and cash equivalents (A+B+C)	(63,937.13)	(15,705.29)
Cash and cash equivalents at the beginning of the year (refer to note ii below)	89,707.76	105,413.05
Cash and cash equivalents at the end of the year	**25,770.63**	**89,707.76**

i) Refer to note 21 for reconciliation of liabilities arising from financing activities.

ii) Refer to note 5 for restricted cash and cash equivalent.

Consolidated Cash Fow Statement

for the year ended March 31, 2023 (Contd..)

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Notes:		
Cash and cash equivalents (as per note 4 to the financial statements)	25,770.63	109,126.48
Less: Overdraft facility against term deposits (as per note 20 to the financial statements)	–	(19,418.72)
	25,770.63	**89,707.76**

Statement of significant accounting policies and other explanatory notes. Note 1-3

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

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

Naveen Aggarwal
Partner
Membership Number: 094380

Place: Gurugram
Date: April 29, 2023

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

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

Satvinder Singh
(Director)
DIN: 00332521

Sanjay Kumar Bhatia
(Chairman Audit Committee cum Director)
DIN: 07033027

Rakesh Sachdeva
(Chief Financial Officer)

Vikas Gupta
(Company Secretary & Compliance Officer)
Membership Number: A24281

Place: Gurugram
Date: April 29, 2023

Consolidated Statement of Changes in Equity

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

A. Equity share capital (Refer note 25)

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

March 31, 2022

Particulars	Balance as at April 1, 2021	Changes in Equity Share Capital due to prior period errors	Restated balance at April 1, 2021	Changes during the year	Balance as at March 31, 2022
Equity share capital	6,647.12	–	6,647.12	812.00	7,459.12

B. Other equity (Refer note 26)

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	Share options outstanding account	Retained earnings							
Balance as at April 1, 2021	**10,102.09**	**101,809.54**	**29.94**	**277.00**	**217.77**	**26,007.99**	**(5.00)**	**3,509.45**	**–**	**20.56**	**141,969.34**	**–**	**141,969.34**
Profit for the year	–	–	–	–	–	2,069.89	–	–	–	–	2,069.89	–	2,069.89
Other comprehensive income (net of tax)	–	–	–	–	–	14.46	–	(2,929.77)	–	–	(2,915.31)	–	(2,915.31)
Issue of equity shares (net of share issue expenses)	–	4,645.62	–	–	–	–	–	–	–	–	4,645.62	–	4,645.62
Issue of share warrants (refer note 25 (F) and 26)	–	–	–	–	–	–	–	–	5,000.00	–	5,000.00	–	5,000.00
Transfer to statutory reserves	901.89	–	–	2,500.00	–	(3,401.89)	–	–	–	–	–	–	–
Transfer from share options outstanding account	–	–	–	–	(178.97)	178.97	–	–	–	–	–	–	–
Share issue expense of subsidiary	–	–	–	–	–	(4.52)	–	–	–	–	(4.52)	–	(4.52)
Share based payment to employees	–	–	–	–	(38.80)	–	–	–	–	–	(38.80)	–	(38.80)
Balance as at March 31, 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

Consolidated Statement of Changes in Equity

for the year ended March 31, 2023 (Contd..)

(All amounts in ₹ lakhs, unless otherwise stated)

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	Share options outstanding account	Retained earnings							
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 (refer note 25 (F) and 26)	–	–	–	–	–	–	–	–	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**

Statement of significant accounting policies and other explanatory notes.

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

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

Naveen Aggarwal
Partner
Membership Number: 094380

Place: Gurugram
Date: April 29, 2023

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

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

Satvinder Singh
(Director)
DIN: 00332521

Sanjay Kumar Bhatia
(Chairman Audit Committee cum Director)
DIN: 07033027

Rakesh Sachdeva
(Chief Financial Officer)

Vikas Gupta
(Company Secretary & Compliance Officer)
Membership Number: A24281

Place: Gurugram
Date: April 29, 2023

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Note 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.

Note 2 :

A. Basis of preparation

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

These consolidated financial statements ("the Financial Statements") have been prepared in accordance with the Indian Accounting Standards ('Ind AS') as notified by Ministry of Corporate Affairs ('MCA') under Section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time. The Group has uniformly applied the accounting policies for all the periods presented in this financial statements.

The financial statements for the year ended March 31, 2023 were authorized and approved for issue by the Board of Directors on April 29, 2023.

(ii) Historical cost convention

The financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India. Further, the financial statements have been prepared on a historical cost basis, except for fair value through other comprehensive income (FVOCI) instruments, derivative financial instruments, and financial assets and liabilities designated at fair value through profit or loss (FVTPL), all of which have been measured at fair value. Further the carrying values of recognised assets and liabilities that are hedged items in fair value hedges, and otherwise carried at amortised cost, are adjusted to record changes in fair value attributable to the risks that are being hedged.

(iii) Going Concern

Management is of the view that having regard to the projections of the business prospects, Group shall be able to continue as a going concern. Accordingly, management considers it appropriate to prepare these financials statements on a going concern basis.

B. Basis of consolidation

The consolidated financial statements has comprised financial statements of the Company and its subsidiaries, subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. The Group can have power over the investee even if it owns less than majority voting rights i.e. rights arising from other contractual arrangements. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. Statement of profit and loss (including other comprehensive income ('OCI')) of subsidiaries acquired or disposed of during the period are recognized from the effective date of acquisition, or up to the effective date of disposal, as applicable.

The Group combines the financial statements of the Parent Company and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's statement of profit and loss and net assets that is not held by the Group. Statement of profit and loss balance (including other comprehensive income ('OCI')) is attributed to the equity holders of the Parent Company and to the non-controlling interest basis the respective ownership interests and such balance is attributed even if this results in controlling interests having a deficit balance.

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. Such a change in ownership

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognized within equity.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Corporation's accounting policies. All intra-group assets, liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Note 3 : Summary of significant accounting policies

The financial statements have been prepared using the significant accounting policies and measurement bases summarised as below. These policies are applied consistently for all the periods presented in the financial statements.

a) Property, plant and equipment

Recognition and initial measurement

Property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance costs are recognised in statement of profit and loss.

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

Property, plant and equipment are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation on property, plant and equipment is provided on the written down value method over the useful life of the assets estimated by the management. The useful life estimated by the management is as under:

Asset class	Useful life
Building	60 years
Electrical equipment	10-25 years
Office equipment	5 years
Computer equipment	3-6 years
Furniture and fixtures	10 years
Vehicles	8-10 years

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

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

De-recognition

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

Capital work-in-progress

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

b) Investment property

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

The Group depreciates building component of investment property over 60 years from the date of original purchase.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of de-recognition.

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c) Intangible assets

Recognition and initial measurement

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

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

Intangible assets are amortised over a period of 3-5 years from the date when the assets are available for use. The estimated useful life (amortisation period) of the intangible assets is arrived basis the expected pattern of consumption of economic benefits and is reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

d) Intangible assets under development

Intangible assets under development represents expenditure incurred in respect of intangible assets under development and are carried at cost. Cost includes development cost, borrowing costs and other direct expenditure necessary to create, produce and prepare the asset to be capable of operating in the manner intended by management. These are recognised as assets when the Group can demonstrate following recognition requirements:

- The development costs can be measured reliably
- The project is technically and commercially feasible
- The Group intends to and has sufficient resources to complete the project
- The Group has the ability to use or sell such intangible asset
- The asset will generate probable future economic benefits.

Amortisation of the asset begins when development is complete and the asset is available for use.

e) Revenue recognition

Interest income on loans

The Group recognises interest income using Effective Interest Rate (EIR) on all financial assets subsequently measured at amortised cost or fair value through other comprehensive income (FVOCI). EIR is calculated by considering any fees and all incremental costs that are directly attributable to acquisition of a financial asset and it represents a rate that exactly discounts estimated future cash payments/receipts through the expected life of the financial asset to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

The Group recognises interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. In case of credit-impaired financial assets regarded as 'Stage 3', the Group recognises interest income on the net amortised cost of financial assets at EIR. If financial asset is no longer credit-impaired Group reverts to calculating interest income on a gross basis.

Income from assignment transactions

Income from assignment transactions i.e. present value of excess interest spread is recognised when the related loan assets are de-recognised. Interest income is also recognised on carrying value of remaining assets over the outstanding period of such assets.

Commission income

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

Dividend income

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

Miscellaneous income

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

f) Borrowing costs

Borrowing costs consists of interest and other cost that the Group incurred in connection with the borrowing of funds. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset form part of the cost of that asset. Borrowing costs are charged to the Statement of Profit and Loss on the basis of effective interest rate method.

g) Taxation

I. **Current tax:** Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, in accordance with the Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS) prescribed therein. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

   Current tax relating to items recognised outside profit or loss is recognised in correlation to the underlying transaction either in OCI or directly in other equity.

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Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

II. **Deferred Tax:** Deferred tax is provided using the Balance Sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for deductible temporary differences to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets, if any, are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised either in OCI or in other equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority. Tax expense recognized in Statement of Profit and Loss comprises the sum of deferred tax and current tax except to the extent it recognized in other comprehensive income or directly in equity.

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

h) Employee benefits

Short-term employee benefits

Short-term employee benefits including salaries, short term compensated absences (such as a paid annual leave) where the absences are expected to occur within twelve months after the end of the period in which the employees render the related service, profit sharing and bonuses payable within twelve months after the end of the period in which the employees render the related services and non-monetary benefits for current employees are estimated and measured on an undiscounted basis.

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

Defined contribution plans

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

Defined benefit plans

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

Other long-term employee benefits

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

i) Share based payments

The Parent Company has formulated an Employees Stock Option Schemes to be administered through a Trust. The

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stock options granted to employees pursuant to the Parent Company's Stock Options Schemes, are measured at the fair value of the options at the grant date. The fair value of options granted under Employee Stock Option Plan is recognised as an employee benefits expense with a corresponding increase in other equity. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the Parent Company revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in Statement of Profit and Loss, with a corresponding adjustment to equity.

j) Impairment of non-financial assets

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. Recoverable amount is higher of an asset's fair value less cost of disposal and its value in use. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the reporting date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

Compensation for impairment

Compensation from third parties for items of property, plant and equipment that were impaired, lost or given up are recognised in statement of profit and loss when the compensation becomes receivable.

Financial Guarantees

Financial guarantees are initially recognised at fair value. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

The premium received (if any) is recognised as income on a straight-line basis over the life of the guarantee.

k) Impairment of financial assets

The Group is recording the allowance for expected credit losses for all loans at amortised cost and FVOCI and other financial assets not held at FVTPL

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL). The Group's policies for determining if there has been a significant increase in credit risk.

Loan assets

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

- Stage 1 (1-30 days) includes loan assets that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date.
- Stage 2 (31-90 days) includes loan assets that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment.
- Stage 3 (more than 90 days) includes loan assets that have objective evidence of impairment at the reporting date.

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

Probability of Default (PD) - The PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months (12 months PD), or over the remaining lifetime (Lifetime PD) of the obligation.

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

Exposure at Default (EAD) – EAD is based on the amounts the Group expects to be owed at the time of default.

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

Trade receivables

In respect of trade receivables, the Group applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of trade receivables.

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Other financial assets

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

When making this assessment, the Group uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Group compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Group assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

Write-offs

Financial assets are written off either partially or in their entirety to the extent that there is no realistic prospect of recovery. Any subsequent recoveries are credited to impairment on financial instrument on statement of profit and loss.

l) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand (including imprest), demand deposits and short-term highly liquid investments (certificate of deposits and commercial paper) that are readily convertible into known amount of cash and which are subject to an insignificant risk of changes in value. The Group has netted off the balance of bank overdraft with cash and cash equivalents for cash flow statement as they are considered an integral part of the Group's cash management.

m) Equity investment in subsidiaries

Investments representing equity interest in subsidiaries are accounted for at Fair Value through Profit and Loss (FVTPL) in accordance to Ind AS 109 read with Ind AS 27 Separate Financial Statements.

n) Provisions, contingent assets and contingent liabilities

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

Contingent liability is disclosed for:

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

Contingent assets are not recognised but disclosed where an inflow of economic benefits is probable.

o) Leases

Group as a lessee

A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Group assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract the Group has the right to direct the use of the identified asset throughout the period of use.

The Group assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit

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in the lease if that rate is readily available or the Group's incremental borrowing rate.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

Determining the lease term of contracts with renewal and termination options where Group is lessee -

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination.

Group as lessor:

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

Classification of leases –

The Group enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

p) Financial instruments

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition and measurement

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

Non-derivative financial assets

Subsequent measurement

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

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

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the Statement of Profit and Loss.

ii. **Financial assets are measured at FVOCI when both of the following conditions are met: –** a financial asset is measured at the FVOCI if both the following conditions are met:

- The instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets
- The contractual terms of the financial asset meet the SPPI test

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI. Interest income are recognised in profit or loss in the same manner as for financial assets measured at amortised cost.

Investment in security receipts issued by trust floated by asset reconstruction companies are accounted for at fair value through other comprehensive income (FVOCI).

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iii. **Investments in equity instruments –** Investments in equity instruments which are held for trading are classified as at fair value through profit or loss (FVTPL). For all other equity instruments, the Group makes an irrevocable choice upon initial recognition, on an instrument by instrument basis, to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL). Amounts presented in other comprehensive income are not subsequently transferred to profit or loss. However, the Group transfers the cumulative gain or loss within equity. Dividends on such investments are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

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

v. **Financial assets measured at FVPL –** FVPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL, with all changes recognized in the P&L.

De-recognition of financial assets

Financial assets (or where applicable, a part of financial asset or part of a group of similar financial assets) are de-recognised (i.e. removed from the Group's balance sheet) when the contractual rights to receive the cash flows from the financial asset have expired, or when the financial asset and substantially all the risks and rewards are transferred. Further, if the Group has not retained control, it shall also de-recognise the financial asset and recognise separately as assets or liabilities any rights and obligations created or retained in the transfer.

Non-derivative financial liabilities

Subsequent measurement

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

De-recognition of financial liabilities

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

First loss default guarantee

First loss default guarantee contracts are contracts that require the Group to make specified payments to reimburse the bank for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a agreement. Such financial guarantees are given to bank, for whom the Group acts as 'Business Correspondent'.

These contracts are initially measured at fair value and subsequently measure at higher of:

- The amount of loss allowance (calculated as described in policy for impairment of financial assets)
- Maximum amount payable as on the reporting date to the bank which is based on the amount of loans overdue for more than 75/90 days in respect to agreements with banks.

Further, the maximum liability is restricted to the cash outflow agreed in the agreement.

Compound financial instruments

Optionally convertible instruments are separated into liability and equity components based on the terms of the contract. On issuance of the said instruments, the liability component is arrived by discounting the gross sum (including redemption premium, if any) at a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost until it is extinguished on conversion or redemption. The remainder of the proceeds is recognised as equity component of compound financial instrument. This is recognised and included in shareholders' equity, net of income tax effects, and not subsequently re-measured.

Offsetting of financial instruments

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

Derivative contracts

The Group enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit and loss using mark to market information.

Fair value measurement

The Group measures financial instruments at fair value at each balance sheet date using valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair

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value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

a) In the principal market for the asset or liability, or

b) In the absence of a principal market, in the most advantageous market for the asset or liability.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured are categorised with fair value hierachy into Level I, Level II and Level III based on level of input.

q) Earnings per share

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

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

r) Segment reporting

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

s) Foreign currency

Functional and presentation currency

Items included in the financial statement of the Group are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements have been prepared and presented in Indian Rupees (₹), which is the Group's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency, by applying the exchange rates on the foreign currency amounts at the date of the transaction. Foreign currency monetary items outstanding at the balance sheet date are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the Statement of Profit and Loss in the year in which they arise.

t) Government grants

Grants and subsidies from the government are recognised when there is reasonable assurance that (i) the Group will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

Grant or subsidy relates to revenue, it is recognised as income on a systematic basis in profit or loss over the periods necessary to match them with the related costs, which they are intended to compensate.

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

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

Significant management judgements

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

Business model assessment - The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortised cost that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group 's continuous assessment of whether the

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business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and accordingly prospective change to the classification of those assets are made.

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

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

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

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

Significant estimates

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

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

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

v) Statement of Cash Flows

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method adjusting the net profit for the effects of:

I. Changes during the period in operating receivables and payables transactions of a non-cash nature;

II. Non-cash items such as depreciation, provisions, deferred taxes, unrealised foreign currency gains and losses; and

III. All other items for which the cash effects are investing or financing cash flows.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Note 4 : Cash and cash equivalents

Particulars	As at March 31, 2023	As at March 31, 2022
Cash on hand	4,701.05	5,378.53
Balances with banks and financial institutions		
– Balance with banks in current accounts*	17,511.53	73,467.80
– Deposits for original maturity of less than 3 months	3,558.05	29,888.35
– Balance with banks and financial institutions to the extent held as margin money deposits against borrowings and guarantees	–	391.80
Total	**25,770.63**	**109,126.48**

*Balance in current accounts includes balance of ₹ 2.15 lakhs (March 31, 2022 : ₹ 2.15 lakhs) which is earmarked for unpaid dividend.

Note 5 : Bank balances other than cash and cash equivalents

Particulars	As at March 31, 2023	As at March 31, 2022
Deposits for remaining maturity of more than 3 months and upto 12 months	4,264.01	4,128.44
Deposits with remaining maturity more than 12 months	935.46	–
Balance with banks and financial institutions to the extent held as margin money deposits against borrowings and guarantees	80,465.65	86,939.44
Total	**85,665.12**	**91,067.88**

The amount under lien as security against term loan and overdraft facility availed, assets securitised, first loss default guarantee are as follows (included above in note 4 and 5):-

Particulars	As at March 31, 2023	As at March 31, 2022
Term loans	18,823.68	33,468.09
Overdraft facilities	37,336.81	40,402.43
Securitisations	20,307.79	6,796.83
Derivatives	–	597.68
Bank guarantee against rights issue	–	64.63
Security against first loss default guarantee	3,994.81	5,999.13
Security against facilities	2.56	2.45
Total	**80,465.65**	**87,331.24**

Note 6 : Derivative financial instruments

Particulars	As at March 31, 2023		As at March 31, 2022	
	Notional amounts (₹)	Fair value (₹)	Notional amounts (₹)	Fair value (₹)
Currency and interest swap	41,518.44	2,231.64	31,161.35	1,192.75
	41,518.44	**2,231.64**	**31,161.35**	**1,192.75**
Included in above are derivative held for risk management purpose as follows:				
Undesignated derivatives	41,518.44	2,231.64	31,161.35	1,192.75
Total	**41,518.44**	**2,231.64**	**31,161.35**	**1,192.75**

The Parent Company enters into derivative contracts for risk management purposes. The table above represents the fair value of derivatives financial instruments recorded as assets together with the notional amounts. The notional amounts indicates the value of transaction outstanding at the year end and are not indicative of either the market risk or credit risk.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

The Parent Company is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are foreign currency risk and interest rate risk. The Parent Company's risk management strategy and how it is applied to manage risk are explained below:

Derivatives designated as hedging instruments

Foreign currency risk

The Parent Company is exposed to foreign currency risk arising from its fixed rate foreign currency borrowing amounting to US $ 9.4 million. Interest on the borrowing is payable at a fixed rate of 5.93% per annum. (on semi-annual basis starting from February 5, 2020) and the principal amount was repaid on August 5, 2022. The Parent Company economically hedged the foreign currency risk arising from the debt with a 'receive fixed pay fixed' cross-currency interest rate swap ('swap') on July 24, 2019. The notional amount of swap was ₹ 6,487.41 lakhs. The swap contract converts the cash outflows of the foreign currency fixed rate borrowing of US $ 9.4 million to cash outflows in ₹ with a notional amount of ₹ 6,487.41 lakhs and fixed interest of 11.18% per annum.

Off-setting

The Parent Company does not have derivative financial assets and financial liabilities which are subject to master netting arrangements. Master netting arrangements are those arrangements wherein in the case of insolvency, derivative financial assets and financial liabilities will be settled on a net basis.

Note 7 : Trade receivables (at amortised cost)

Particulars	As at March 31, 2023	As at March 31, 2022
Considered good - unsecured	540.05	285.63
	540.05	**285.63**
Less: Impairment loss allowance	(0.60)	(9.55)
Total	**539.45**	**276.08**

Trade Receivables ageing schedule

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables – considered good	361.14	8.74	2.97	1.27	0.19	374.31
(ii) Undisputed trade receivables – credit impaired	–	–	–	–	–	–
(iii) Disputed trade receivables – considered good	–	–	–	–	–	–
(iv) Disputed trade receivables – credit impaired	–	–	–	–	–	–
(v) Unbilled	–	–	–	–	–	165.74
As at March 31, 2023	**361.14**	**8.74**	**2.97**	**1.27**	**0.19**	**540.05**

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables – considered good	266.12	4.61	3.19	0.84	1.95	276.71
(ii) Undisputed trade receivables – credit impaired	–	1.99	2.67	4.26	–	8.92
(iii) Disputed trade receivables – considered good	–	–	–	–	–	–
(iv) Disputed trade receivables – credit impaired	–	–	–	–	–	–
(v) Unbilled	–	–	–	–	–	–
As at March 31, 2022	**266.12**	**6.60**	**5.86**	**5.10**	**1.95**	**285.63**

The Group does not have any receivables which are either credit impaired or where there is significant increase in credit risk other than those which are provided for.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Note 8 : Loans

Particulars	As at March 31, 2023		As at March 31, 2022	
	At fair value through other comprehensive income	At amortised cost	At fair value through other comprehensive income	At amortised cost
Portfolio loans (also refer note 43)				
Secured	–	22,179.39	–	15,939.07
Unsecured*	381,675.56	195,804.28	421,364.40	99,597.23
Housing loans				
Secured	46,149.76	–	29,230.68	–
	427,825.32	**217,983.67**	**450,595.08**	**115,536.30**
Less: Impairment loss allowance	(10,500.96)	(2,422.36)	(33,092.20)	(2,196.91)
Sub-total	**417,324.36**	**215,561.31**	**417,502.88**	**113,339.39**
Total loans		**632,885.67**		**530,842.27**

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Secured by tangible assets (property, plant and equipment including land and building)	63,945.82	41,946.63
(ii) Secured by book debts, inventories, margin money and other working capital items	3,082.64	1,733.28
(iii) Unsecured	565,857.21	487,162.36
Total	**632,885.67**	**530,842.27**

Loans in India		
(i) Public sector	–	–
(ii) Others	632,885.67	530,842.27
Total	**632,885.67**	**530,842.27**

*Unsecured portfolio measured at amortised cost of ₹ 10,000.03 lakhs (balance as on June 10, 2022 i.e. cut off date) (March 31, 2022 : H 5,314.81 lakhs (balance as on February 28, 2022 i.e. cut off date)) sold to an asset reconstruction company at a value of ₹ 8,650.00 lakhs on June 29, 2022 (March 31, 2022 : ₹ 5,300.00 lakhs on March 28, 2022).

Loss on such sale is netted off from net gain as disclosed in Note 32. The balance outstanding as on March 31, 2023 is ₹ 13,130.86 lakhs (March 31, 2022 : ₹ 5,254.77 lakhs).

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

Notes to the Consolidated Financial Statements
for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Note 9 : Investments (unquoted)

Particulars	As at March 31, 2023				As at March 31, 2022			
	Amortised cost	At fair value Through other comprehensive income	At fair value Through profit and loss	Total	Amortised cost	At fair value Through other comprehensive income	At fair value Through profit and loss	Total
Equity instruments								
50,000 (March 31, 2022 : 50,000) equity shares of face value of ₹ 10 each of Alpha Micro Finance Consultants Private Limited#	–	–	–	–	–	–	–	–
Preferential instruments								
21,845 (March 31, 2022 : 21,845) Compulsory Convertible Preference Shares of face value of ₹ 10 each of Jay Kay Financial Technologies Private Limited	–	–	111.19	111.19	–		110.00	110.00
Security Receipts								
4,50,500 (March 31, 2022 : 4,50,500) security receipts in Prudent Trust 67/22 (Trust floated by Prudent ARC Limited)	–	3,276.02	–	3,276.02	–	4,505.00	–	4,505.00
7,35,250 (March 31, 2022 : Nil) security receipts in Prudent Trust 70/22 (Trust floated by Prudent ARC Limited)	–	5,354.41	–	5,354.41	–	–	–	–
Less: Provision on SR		(2,694.04)	–	(2,694.04)				
Pass through certificates	127.81	–	–	127.81	181.87	–	–	181.87
Mutual funds								
Nil (March 31, 2022 : 294,091.70) units in Union Dynamic Bond Fund	–	–	–	–	–	–	59.24	59.24
Government securities								
500 (March 31, 2022 : 500), Government of India, Inscribed stock having face value ₹ 100 each	–	–	0.51	0.51	–	–	0.51	0.51
Total	**127.81**	**5,936.39**	**111.70**	**6,175.90**	**181.87**	**4,505.00**	**169.75**	**4,856.62**
(i) Investments in India	127.81	5,936.39	111.70	6,175.90	181.87	4,505.00	169.75	4,856.62
(ii) Investments outside India	–	–	–	–	–	–	–	–
Total	**127.81**	**5,936.39**	**111.70**	**6,175.90**	**181.87**	**4,505.00**	**169.75**	**4,856.62**

The Group has not entered in to any credit derivative to mitigate the credit risk (if any).

#Investment had been written off in the financial year 2018-19 and therefore shown at zero value.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Note 10 : Other financial assets

Particulars	As at March 31, 2023	As at March 31, 2022
Security deposits	253.59	356.53
Staff advances	106.25	79.67
Insurance recoverable	401.97	490.61
Amount receivable against Mudra Interest Subvention Scheme	–	9.75
Other recoverable	1,215.76	1,363.87
Unbilled revenue	370.63	606.60
	2,348.20	**2,907.03**
Less: Impairment loss allowance	(35.40)	(4.14)
Total	**2,312.80**	**2,902.89**

Note 11 : Current tax assets (net)

Particulars	As at March 31, 2023	As at March 31, 2022
Advance income - tax (net)	4,327.55	526.10
Total	**4,327.55**	**526.10**

Note 12 : Deferred tax assets/(liabilities) (net)

Particulars	As at March 31, 2023	As at March 31, 2022
(A) Deferred tax assets		
Provision for employee benefits	223.43	247.53
Difference in written down value as per Companies Act and Income Tax Act	223.63	234.50
Unabsorbed business losses and depreciation	8,155.06	737.82
Impairment loss allowance	3,932.47	9,696.32
Minimum alternate tax credit entitlement	222.45	124.88
Liability against leases	296.12	131.05
Impairment loss allowance on security receipts	678.04	–
Loss on Security Receipts through other comprehensive income	687.49	–
Others	–	0.45
	14,418.69	**11,172.55**
(B) Deferred tax liabilities		
Financial Liabilities measured at amortised cost	(2.30)	8.35
Financial Assets measured at amortised cost	558.99	295.33
Fair valuation of loan assets through other comprehensive income	564.76	323.31
Special reserve u/s 36 (i) (viii) under Income Tax Act	35.94	29.68
Right of use assets	289.88	107.31
Deferment of excess interest spread	4,113.94	2,154.91
Total deferred tax liabilities	**5,561.21**	**2,918.89**
Net deferred tax assets/(liabilities)	**8,857.48**	**8,253.66**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

(i) Movement in deferred tax assets/(liabilities) (net)

Particulars	As at March 31, 2022	(Charged)/ credited to statement of profit and loss	(Charged)/ credited to other comprehensive income	As at March 31, 2023
Assets				
Provision for employee benefits	247.53	(36.46)	12.36	223.43
Difference in written down value as per Companies Act and Income Tax Act	234.50	(10.87)	–	223.63
Unabsorbed business losses and depreciation	737.82	7,417.24	–	8,155.06
Financial assets measured at amortised cost	–	–	–	–
Impairment loss allowance and first loss default guarantee	9,696.32	(5,763.85)	–	3,932.47
Minimum alternate tax credit entitlement	124.88	97.57	–	222.45
Liability against leases	131.05	165.07	–	296.12
Impairment loss allowance on security receipts	–	678.04	–	678.04
Loss on Security Receipts through other comprehensive income	–	–	687.49	687.49
Others	0.45	(0.45)	–	–
Liabilities				
Difference in written down value as per Companies Act and Income Tax Act	295.33	263.66	–	558.99
Financial liabilities measured at amortised cost	8.35	(10.65)	–	(2.30)
Fair valuation of financial instruments through profit and loss	–	–	–	–
Fair valuation of loan assets through other comprehensive income	323.31	230.15	11.30	564.76
Cash flow hedge reserve	–	6.92	(6.92)	–
Special reserve u/s 36 (i) (viii) under Income Tax Act	29.68	6.26	–	35.94
Right of use assets	107.31	182.57	–	289.88
Deferment of excess interest spread	2,154.91	1,959.03	–	4,113.94
Total	**8,253.66**	**(91.65)**	**695.47**	**8,857.48**

Particulars	As at March 31, 2021	(Charged)/ credited to statement of profit and loss	(Charged)/ credited to other comprehensive income	As at March 31, 2022
Assets				
Provision for employee benefits	379.17	(126.53)	(5.11)	247.53
Difference in written down value as per Companies Act and Income Tax Act	243.78	(9.28)	–	234.50
Unabsorbed business losses and depreciation	26.08	711.74	–	737.82
Financial assets measured at amortised cost	24.12	(24.12)	–	–
Impairment loss allowance and first loss default guarantee	8,153.72	1,542.60	–	9,696.32
Minimum alternate tax credit entitlement	130.49	(5.61)	–	124.88
Liability against leases	166.04	(34.98)	–	131.05
Others	22.85	(22.40)	–	0.45
Liabilities				
Difference in written down value as per Companies Act and Income Tax Act	–	295.33	–	295.33
Financial liabilities measured at amortised cost	23.40	(15.06)	–	8.35
Fair valuation of loan assets through other comprehensive income	1,309.21	(0.62)	(985.28)	323.31
Special reserve u/s 36 (i) (viii) under Income Tax Act	15.06	14.62	–	29.68
Right of use assets	146.35	(39.04)	–	107.31
Deferment of excess interest spread	2,433.45	(278.54)	–	2,154.91
Total	**5,218.78**	**2,054.73**	**980.17**	**8,253.66**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Note 13 : Investment property

Particulars	As at March 31, 2023	As at March 31, 2022
A. Reconciliation of carrying amount (Cost or deemed cost)		
Opening balance	769.52	729.24
Additions during the year	–	40.28
Total	**769.52**	**769.52**
Accumulated depreciation		
Opening balance	71.26	35.51
Additions during the year	34.00	35.75
Total	**105.26**	**71.26**
Carrying amounts (Balance at date)	**664.26**	**698.26**
B. Amounts recognised in Statement of profit and loss for investment property		
Rental income	30.40	24.60
Less: Depreciation expense	34.00	35.75
Loss from investment property	**(3.60)**	**(11.15)**
C. Measurement of fair value		
Investment property	828.52	789.06
	828.52	**789.06**

The Parent Company's investment properties consist of two residential properties in India. The fair values of the properties are ₹ 828.52 Lakhs (March 31, 2022 : ₹ 789.06 Lakhs). These valuations are based on valuations performed by an independent valuer, the valuer is a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017. Valuation techniques used by the valuer is fair market value.

The Parent Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Note 14 : Property, plant and equipment

Gross carrying amount	Freehold land	Buildings	Right of use (Leased building)	Right of use (Vehicle)	Computer equipment	Electric equipement	Office equipment	Furniture & fixtures	Vehicles (refer note (ii))	Total	Capital work in progress
Balance as at April 1, 2021	**1,518.37**	**3,931.53**	**1,651.74**	**–**	**3,370.93**	**817.30**	**848.63**	**1,971.93**	**241.27**	**14,351.70**	**364.96**
Additions	–	566.80	137.59	–	211.57	–	68.53	59.50	100.17	1,144.16	219.73
Adjustment on account of disposals	–	–	(30.19)	–	(559.98)	–	(116.73)	(179.38)	(63.50)	(949.78)	(566.80)
Balance as at March 31, 2022	**1,518.37**	**4,498.33**	**1,759.14**	**–**	**3,022.52**	**817.30**	**800.43**	**1,852.05**	**277.94**	**14,546.08**	**17.89**
Additions	–	17.89	1,256.53	80.69	610.20	–	74.97	78.21	99.77	2,218.26	–
Adjustment on account of disposals	–	–	(718.99)	–	(291.14)	–	(27.55)	(25.70)	(65.61)	(1,128.99)	(17.89)
Balance as at March 31, 2023	**1,518.37**	**4,516.22**	**2,296.68**	**80.69**	**3,341.57**	**817.30**	**847.85**	**1,904.56**	**312.10**	**15,635.35**	**–**
Accumulated depreciation											
Balance as at April 1, 2021	**–**	**377.59**	**866.29**	**–**	**2,582.61**	**29.62**	**581.23**	**1,023.13**	**139.51**	**5,599.99**	**–**
Depreciation charge for the year	–	175.86	289.72	–	459.12	144.69	131.06	249.96	43.12	1,493.54	–
Adjustment on account of disposals	–	–	(16.53)	–	(517.08)	–	(108.84)	(144.69)	(42.49)	(829.63)	–
Balance as at March 31, 2022	**–**	**553.45**	**1,139.48**	**–**	**2,524.65**	**174.31**	**603.45**	**1,128.40**	**140.14**	**6,263.90**	**–**
Depreciation charge for the year	–	193.88	603.82	6.14	457.99	116.25	98.85	193.26	60.21	1,730.40	–
Adjustment on account of disposals	–	–	(673.03)	–	(269.28)	–	(24.96)	(20.34)	(53.22)	(1,040.83)	–
Balance as at March 31, 2023	**–**	**747.33**	**1,070.27**	**6.14**	**2,713.36**	**290.56**	**677.34**	**1,301.32**	**147.13**	**6,953.47**	**–**
Net carrying amount											
Balance as at March 31, 2022	**1,518.37**	**3,944.88**	**619.65**	**–**	**497.87**	**642.99**	**196.98**	**723.65**	**137.80**	**8,282.18**	**17.89**
Balance as at March 31, 2023	**1,518.37**	**3,768.89**	**1,226.40**	**74.55**	**628.21**	**526.74**	**170.51**	**603.24**	**164.97**	**8,681.88**	**–**

Notes:

(i) For disclosure of contractual commitments to be executed on capital account, refer note 51.

(ii) Vehicles are taken on finance lease; monthly instalments are paid as per agreed terms and conditions.

(iii) Property, plant and equipment have been mortgaged/pledged as security for borrowings, refer note 52.

(iv) Capital work in progress ageing schedule.

Capital Work in Progress	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress					
As at March 31, 2023	–	–	–	–	–
As at March 31, 2022	17.89	–	–	–	17.89

Notes to the Consolidated Financial Statements
for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Note 15 : Other intangible assets

Gross Block	Intangible assets	Total
Balance as at April 1, 2021	**1,291.23**	**1,291.23**
- Additions – being internally developed	–	–
- Additions – others	–	–
Balance as at March 31, 2022	**1,291.23**	**1,291.23**
Additions		
- Additions – being internally developed	–	–
- Additions – others	24.51	24.51
Disposals	(65.40)	(65.40)
Balance as at March 31, 2023	**1,250.34**	**1,250.34**
Accumulated amortisation		
Balance as at April 1, 2021	**980.32**	**980.32**
Amortisation charge for the year	80.51	80.51
Adjustment on account of disposal	–	–
Balance as at March 31, 2022	**1,060.83**	**1,060.83**
Amortisation charge for the year	74.97	74.97
Adjustment on account of disposal	(64.63)	(64.63)
Balance as at March 31, 2023	**1,071.17**	**1,071.17**
Net block		
Balance as at March 31, 2022	**230.40**	**230.40**
Balance as at March 31, 2023	**179.17**	**179.17**

Note 16 : Other non-financial assets

Particulars	As at March 31, 2023	As at March 31, 2022
Prepaid expenses	1,947.78	1,251.24
Balances with government authorities	120.20	212.88
Gratuity fund asset (refer note 47)	86.69	–
Acquired property (held for sale)*	110.63	24.46
Other assets	1,029.30	2,394.36
Total	**3,294.60**	**3,882.94**

*Acquired property (held for sale) by subsidiary Satin Housing Finance Limited.

Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is promoter, director or relative of promoter/ director or employee of promoter/director	Property held date	Reason for not being held in the name of the subsidiary
Land & Building	24.46	Shailo Devi W/o Vijay Singh	No	22/01/2022	Assest acquired under court order as per SARFAESI Act
Land & Building	6.39	Subhash Dagar	No	28/02/2023	Assest acquired under court order as per SARFAESI Act
Land & Building	17.94	Sadhna Sharma	No	28/02/2023	Assest acquired under court order as per SARFAESI Act
Land & Building	20.37	Kiran W/O Mukesh Chauhan	No	31/03/2023	Assest acquired under court order as per SARFAESI Act
Land & Building	17.26	Purnima Behra W/O Suraj Behra	No	31/03/2023	Assest acquired under court order as per SARFAESI Act
Land & Building	18.93	Poonam W/O Shrichand	No	31/03/2023	Assest acquired under court order as per SARFAESI Act
Land & Building	3.54	Kiran W/O Mukesh Chauhan	No	31/03/2023	Assest acquired under court order as per SARFAESI Act
Land & Building	1.74	Poonam W/O Shrichand	No	31/03/2023	Assest acquired under court order as per SARFAESI Act
Total	**110.63**				

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Note 17 : Trade payables

Particulars	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro enterprises and small enterprises	10.42	10.42
Total outstanding dues of creditors other than micro enterprises and small enterprises	497.45	1,268.06
Total	**507.87**	**1,278.48**

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	–	10.42	–	–	–	10.42
(ii) Others	198.23	291.28	5.47	1.94	0.54	497.45
(iii) Disputed dues – MSME	–	–	–	–	–	–
(iv)Disputed dues - Others	–	–	–	–	–	–
As at March 31, 2023	**198.23**	**301.70**	**5.47**	**1.94**	**0.54**	**507.87**

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	–	10.42	–	–	–	10.42
(ii) Others	1049.81	188.54	20.92	8.79	–	1,268.06
(iii) Disputed dues – MSME	–	–	–	–	–	
(iv)Disputed dues - Others	–	–	–	–	–	
As at March 31, 2022	**1,049.81**	**198.96**	**20.92**	**8.79**	**–**	**1,278.48**

Note 18 : Other payables

Particulars	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro enterprises and small enterprises	23.87	172.02
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,527.78	1,520.19
Total	**1,551.65**	**1,692.21**

Note 19 : Debt securities (at amortised cost)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-convertible debentures	109,643.58	119,241.39
Total	**109,643.58**	**119,241.39**
Debt securities in India	109,643.58	119,241.39
Debt securities outside India	–	–
Total	**109,643.58**	**119,241.39**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Terms of repayment	As at March 31, 2023	As at March 31, 2022
(A) Non-convertible debentures (secured)			
1 Nil (March 31, 2022: 1500) @Nil (Previous year: 10.30%), Secured, Partially Guaranteed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Non-Convertible Debentures of face value of ₹ Nil (March 31, 2022: ₹ 2,50,000 each). The date of allotment is December 31, 2020. (Secured by way of hypothecation of book debt which shall be maintained at 110% of entire redemption amount of the debentures outstanding)	Redeemable ₹ 3,750 Lakhs on October 02, 2021, ₹ 3,750 Lakhs on December 31, 2021, ₹ 3,750 Lakhs March 31, 2022 and ₹ 3,750 Lakhs on June 30, 2022 and frequency of Interest payment is quarterly.	–	3,737.51
2 Nil (March 31, 2022: 250) @Nil (Previous year: 10.25%), Secured, Senior, Rated, Listed, Fully paid-up, Redeemable, Taxable, Transferable, Non-Convertible Debentures of face value of ₹ Nil (March 31, 2022: ₹ 10,00,000 each). The date of allotment is October 13, 2020. (Secured by way of hypothecation of book debt which shall be maintained at 110% of principal amount of the debentures outstanding.)	Redeemable at par on April 13, 2022 and frequency of Interest payment is half yearly.	–	2,499.89
3 9,750 (March 31, 2022: 9,750) @10.50% (Previous year: 10.50%), Secured, Not Guaranteed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Non-Convertible Debentures of face value of ₹ 5 each (March 31, 2022: ₹ 50,000 each) The date of allotment is December 16, 2020. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding)	Redeemable at par ₹ 4,874.51 Lakhs (99.99%) on May 6, 2022 and rest ₹ 0.49 Lakhs (.01%) on May 6, 2024 and frequency of Interest payment is half yearly.	0.49	4,841.08
4 Nil (March 31, 2022: 250) @Nil (Previous year: 10.40%), Secured, Partially Guaranteed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Non-Convertible Debentures of face value of ₹ Nil (March 31, 2022: ₹ 10,00,000 each). The date of allotment is November 9, 2020. (Secured by way of hypothecation of book debt which shall be maintained at 110% of principal amount of the debentures outstanding.)	Redeemable at par on May 9, 2022 and frequency of Interest payment is annually.	–	2,498.80
5 Nil (March 31, 2022: 500) @Nil (Previous year: 10.20%), Secured, Guaranteed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Non-Convertible Debentures of face value of ₹ Nil (March 31, 2022: ₹ 10,00,000 each). The date of allotment is December 10, 2020. (Secured by way of hypothecation of book debt which shall be maintained at 125% of principal amount of the debentures outstanding)	Redeemable at par on June 10, 2022 and frequency of Interest payment is annually.	–	4,997.81
6 Nil (March 31, 2022: 650), @Nil (Previous year : 12.06%), Secured, Not Guaranteed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Non-Convertible Debentures of face value of ₹ Nil (March 31, 2022: ₹ 10,00,000 each). The date of allotment is October 3, 2017. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding)	Redeemable on October 3, 2022 and frequency of Interest payment is half yearly.	–	6,499.11

Notes to the Consolidated Financial Statements
for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars		Terms of repayment	As at March 31, 2023	As at March 31, 2022
7	600 (March 31, 2022: 600) @11.50% (Previous year: 11.50%), Secured, Not Guaranteed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Non-Convertible Debentures of face value of ₹ 10,00,000 each (March 31, 2022: ₹ 10,00,000 each). The date of allotment is October 23, 2020. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding with exclusivity on security interest)	Redeemable ₹ 1,500 Lakhs (25%) on April 24, 2023, ₹ 1,500 Lakhs (25%) on October 24, 2023 rest ₹ 3,000 Lakhs (50%) on 23 April, 2024 and frequency of Interest payment is half yearly.	5,998.72	5,997.46
8	50 (March 31, 2022: 50), @15.75% (Previous year : 15.50%), rated, unlisted, fully paid up, senior, secured, redeemable, taxable, non-convertible debentures of face value of ₹ 1,0,00,000 each, The date of allotment is June, 29, 2020. (Secured by way of hypothecation of first ranking, exclusive and continuing charge on book debt which shall be maintained at 110% of principal including interest accrued amount of the debentures outstanding.)	Redeemable at par on June 29, 2023	499.50	497.64
9	18,750 (March 31, 2022: 18,750) @11.10% (Previous year: 11.10%), Secured, Not Guaranteed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Non-Convertible Debentures of face value of ₹ 1,00,000 each (March 31, 2022: ₹ 1,00,000 each). The date of allotment is December 22, 2020. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding)	Redeemable ₹ 18,748.13 Lakhs (99.99%) on June 05, 2023 and rest ₹ 1.87 Lakhs (.01%) on June 05, 2025 and frequency of Interest payment is half yearly.	18,640.21	18,598.95
10	250 (March 31, 2022: 250) @11.25% (Previous year: 11.25%), Secured, Not Guaranteed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Non-Convertible Debentures of face value of ₹ 10,00,000 each (March 31, 2022: ₹ 10,00,000 each). The date of allotment is June 30, 2020. (Secured by way of hypothecation of book debt which shall be maintained at 110% of principal amount of the debentures outstanding)	Redeemable at par on June 30, 2023 and frequency of Interest payment is annually.	2,498.79	2,492.92
11	200 (March 31, 2022: 200), @12.75% (Previous year : 12.75%), Secured, Rated, Listed, Redeemable, Transferable, Non-Convertible Debentures of face value of ₹ 25,00,000 each (March 31, 2022: ₹ 25,00,000 each). The date of allotment is July 15, 2014 and roll over date is July 15, 2020. (Secured by way of hypothecation of book debts which shall be maintained at 110% of principal amount of the debentures outstanding)	Redeemable at par on June 30, 2023 (rolled over on July 15, 2020) and frequency of Interest payment is half yearly.	4,999.78	4,998.88
12	250 (March 31, 2022: 250) @11.00% (Previous year: 11.00%), Secured, Not Guaranteed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Non-Convertible Debentures of face value of ₹ 10,00,000 each (March 31, 2022: ₹ 10,00,000 each). The date of allotment is July 28, 2020. (Secured by way of hypothecation of book debt which shall be maintained at 110% of principal amount of the debentures outstanding and interest accrued)	Redeemable at par on July 28, 2023 and frequency of Interest payment is quarterly.	2,495.86	2,481.33

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for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Terms of repayment	As at March 31, 2023	As at March 31, 2022
13 250 (March 31, 2022: 250) @10.95% (Previous year: 10.95%), Secured, Not Guaranteed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Non-Convertible Debentures of face value of ₹ 3,33,333.34 each (March 31, 2022: ₹ 6,66,667 each). The date of allotment is July 31, 2020. (Secured by way of hypothecation of book debt which shall be maintained at 110% of principal amount of the debentures outstanding)	Redeemable at par on July 31, 2023 and frequency of Interest payment is half yearly.	830.73	1,655.20
14 970 (March 31, 2022: 970), @11.40% (Previous year : 11.40%), Secured, Rated, Listed, Redeemable, Non-Convertible Debentures of face value of ₹ 10,00,000 each (March 31, 2022: ₹ 10,00,000 each). The date of allotment is July 31, 2018 and roll over date is July 27, 2021. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding)	Redeemable on July 31, 2023 and frequency of Interest payment is half yearly.	9,699.54	9,697.78
15 1,200 (March 31, 2022: 1,200), @11.45% (Previous year: 11.45%), Secured, Not Guaranteed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Non-Convertible Debentures of face value of ₹ 2,50,000 each (March 31, 2022: ₹ 7,50,000 each). The date of allotment is September 27, 2019. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding)	Redeemable at par on September 27, 2023 and frequency of Interest payment is half yearly.	2,999.18	8,997.29
16 2,130 (March 31, 2022: 2,130), @11.095% (Previous year : 11.095%), Secured, Not Guarnateed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Non-Convertible Debentures of face value of ₹ 2,85,714.29 each (March 31, 2022: ₹ 5,71,428.58 each). The date of allotment is December 14, 2018. (Secured by way of hypothecation of book debts which shall be maintained at 100% of principal amount and coupon of the debentures outstanding)	Redeemable on December 14, 2023 and frequency of Interest payment is half yearly.	6,043.57	12,062.97
17 680 (March 31, 2022: 680), @12.00% (Previous year : 11.70%), Secured, Rated, Listed, Redeemable, Non-Convertible Debentures of face value of ₹ 10,00,000 each (March 31, 2022: ₹ 10,00,000 each). The date of allotment is June 15, 2016 and roll over date is June 2, 2022. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding)	Redeemable at par on June 15, 2025 (subject to put option, Exercise Date is June 15, 2024) and frequency of Interest payment is half yearly.	6,800.00	6,799.96
18 19,250 (March 31, 2022: Nil) @11.15% (Previous year: Nil), Secured, Rated, Unlisted, Redeemable, Transferable, Non-Convertible Debentures of face value of ₹ 50,000 each (March 31, 2022: Nil). The date of allotment is June 24, 2022. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding)	Redeemable ₹ 9,624.03 Lakhs (99.99%) on June 24, 2025 and rest ₹ 0.96 Lakhs (.01%) on June 24, 2027 and frequency of Interest payment is half yearly.	9,496.47	–
19 2,060 (March 31, 2022: Nil) @11.6880% (Previous year: Nil), Unlisted, Rated, Secured, Redeemable, Non-Convertible Debentures of face value of ₹ 1,00,000 each (March 31, 2022: Nil). The date of allotment is February 24, 2023. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding)	Redeemable at par on February 24, 2026 and frequency of Interest payment is Quarterly.	2,037.57	–

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(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Terms of repayment	As at March 31, 2023	As at March 31, 2022
20 750 (March 31, 2022: 750), @11.7702% (Previous year: 11.7702%), Secured, Rated, Listed, Redeemable, Transferable, Non-Convertible Debentures of face value of ₹ 10,00,000 each (March 31, 2022: ₹ 10,00,000 each). The date of allotment is March 7, 2022. (Secured by way of hypothecation of book debt which shall be maintained at 105% of principal amount of the debentures outstanding and interest accrued)	Redeemable at par on March 6, 2026 and frequency of Interest payment is half yearly.	7,475.60	7,467.13
21 300 (March 31, 2022: 300), @11.7702% (Previous year: 11.7702%), Secured, Rated, Listed, Redeemable, Transferable, Non-Convertible Debentures of face value of ₹ 10,00,000 each (March 31, 2022: ₹ 10,00,000 each). The date of allotment is March 30, 2022. (Secured by way of hypothecation of book debt which shall be maintained at 105% of principal amount of the debentures outstanding and interest accrued)	Redeemable at par on March 30, 2026 and frequency of Interest payment is half yearly.	2,997.53	2,996.69
22 373 (March 31, 2022: 373), @11.5000% (Previous year: 11.5000%), Secured, Rated, Listed, Redeemable, Transferable, Non-Convertible Debentures of face value of ₹ 10,00,000 each ((March 31, 2022: ₹ 10,00,000 each). The date of allotment is September 2, 2021. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding and interest accrued)	Redeemable at par on September 2, 2026 (Subject to Call Put Option is exercised on August 30, 2024 and frequency of Interest payment is half yearly.	3,727.82	3,726.25
23 2,500 (March 31, 2022: Nil), @12.3000% (Previous year: Nil), Secured, Rated, Listed, Redeemable, Transferable, Non-Convertible Debentures of face value of ₹ 1,00,000 each (March 31, 2022: ₹ Nil). The date of allotment is January 16, 2023. (Secured by way of hypothecation of book debt which shall be maintained at 105% of principal amount of the debentures outstanding and interest accrued)	Redeemable at par on January 16, 2027 and frequency of Interest payment is half yearly.	2,496.89	–
24 7,840 (March 31, 2022: Nil) @11.7160% (Previous year: Nil) Previous year, Unlisted, Rated, Secured, Redeemable, Non-Convertible Debentures of face value of ₹ 1,00,000 each (March 31, 2022: Nil). The date of allotment is March 13, 2023. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding)	Redeemable at par on March 12, 2027 and frequency of Interest payment is Quarterly.	7,756.64	–
25 650 (March 31, 2022: Nil), @12.1500% (Previous year: Nil), Secured, Rated, Listed, Redeemable, Transferable, Non-Convertible Debentures of face value of ₹ 10,00,000 each (March 31, 2022: ₹ Nil). The date of allotment is December 12, 2022. (Secured by way of hypothecation of book debt which shall be maintained at 105% of principal amount of the debentures outstanding and interest accrued)	Redeemable at par on December 12, 2027 (subject to call put option is exercised on December 12, 2025) and frequency of Interest payment is half yearly.	6,451.38	–
Total (A)		**103,946.27**	**113,544.65**

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for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Terms of repayment	As at March 31, 2023	As at March 31, 2022
(B) Non convertible debentures (unsecured)			
1 570 (March 31, 2022: 570), @11.50%, (Previous year: 11.50%) Unsecured, Senior, Rated, Unlisted, Redeemable,Transferable, Non Convertible Debentures of face value of ₹ 10,00,000 each (March 31, 2022: ₹ 10,00,000 each). The date of allotment is February 28, 2022.	Redeemable at par on May 9, 2022 and frequency of Interest payment is annually.	5,697.31	5,696.74
Total (B)		**5,697.31**	**5,696.74**
Total (A+B)		**109,643.58**	**119,241.39**

Note 20 : Borrowings (other than debt securities) (at amortised cost)

Particulars	As at March 31, 2023	As at March 31, 2022
Term loans		
From banks		
Secured*	185,152.59	208,930.66
From other parties		
Secured#	102,332.63	95,744.85
Unsecured	–	19.65
Overdraft facility against term deposits		
From banks		
Secured	–	19,418.55
Unsecured	–	0.17
External commercial borrowings		
Secured	21,285.26	12,219.06
Unsecured	19,613.23	18,282.83
Commercial paper (unsecured)	–	2,441.29
Liability against securitised assets (secured)	114,564.33	50,294.24
Liability against leased assets (unsecured)	1,410.22	728.66
Total	**444,358.26**	**408,079.96**
Borrowings in India	403,459.77	377,578.07
Borrowings outside India	40,898.49	30,501.89
Total	**444,358.26**	**408,079.96**

*Includes amount guaranteed by directors in their personal capacity of ₹ 83,364.45 (March 31, 2022 : ₹ 1,00,972.77)

#Includes amount guaranteed by directors in their personal capacity of ₹ 54,652.48 (March 31, 2022 : ₹ 45,205.67)

Note 21 : Sub-ordinated liabilities (at amortised cost)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-convertible debentures (refer note A)	14,622.90	21,200.60
Term loans from banks	22,500.00	25,500.00
External commercial borrowings	–	329.93
Total	**37,122.90**	**47,030.53**
Sub-ordinated liabilities in India	37,122.90	46,700.60
Sub-ordinated liabilities outside India	–	329.93
Total	**37,122.90**	**47,030.53**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Terms of repayment	As at March 31, 2023	As at March 31, 2022
(A) Non-convertible debentures (unsecured)			
1 Nil (March 31, 2022: 250), @Nil (Previous year: 15.50%), Unsecured, Rated, Subordinated, Redeemable, Non-Convertible Debentures of face value of ₹ Nil (March 31, 2022:₹10,00,000 each). The date of allotment is December 30, 2015.	Redeemable on April 15, 2022 and frequency of Interest payment is quarterly.	–	2,499.98
2 Nil (March 31, 2022: 100), @Nil (Previous year: 15.50%), Unsecured, Rated, Unlisted, Redeemable, Subordinated, Non-Convertible Debentures of face value of ₹ Nil (March 31, 2022: ₹ 10,00,000 each). The date of allotment is June 28, 2016.	Redeemable on September 28, 2022 and frequency of Interest payment is monthly.	–	998.69
3 Nil (March 31, 2022: 100), @Nil (Previous year: 15.00%), Unsecured, Rated, Unlisted, Redeemable, Subordinated, Non-Convertible Debentures of face value of ₹ Nil (March 31, 2022:₹10,00,000 each). The date of allotment is June 29, 2016.	Redeemable on March 31, 2023 and frequency of Interest payment is monthly.	–	1,070.25
4 350 (March 31, 2022: 350), @13.85% (Previous year: 13.85%), Unsecured, Unrated, Unlisted, Redeemable, Subordinated, Non-Convertible Debentures of face value of ₹ 10,00,000 each (March 31, 2022: ₹ 10,00,000 each). The date of allotment is March 29, 2017.	Redeemable on April 30, 2023 and frequency of Interest payment is quarterly.	3,499.79	3,498.37
5 100 (March 31, 2022: 100), @15.00% (Previous year: 15.00%), Unsecured, Rated, Unlisted, Redeemable, Subordinated, Non-Convertible Debentures of face value of ₹ 38,795.83 each (March 31, 2022:₹10,00,000 each). The date of allotment is June 29, 2016.	Redeemable on June 30, 2023 and frequency of Interest payment is monthly.	36.25	1,070.25
6 100 (March 31, 2022: 100), @15.00% (Previous year: 15.00%), Unsecured, Rated, Unlisted, Redeemable, Subordinated, Non-Convertible Debentures of face value of ₹ 76,193.08 each (March 31, 2022: ₹ 10,00,000 each). The date of allotment is June 29, 2016.	Redeemable on September 30, 2023 and frequency of Interest payment is monthly.	73.65	1,070.25
7 100 (March 31, 2022: 100), @15.00% (Previous year: 15.00%), Unsecured, Rated, Unlisted, Redeemable, Subordinated, Non-Convertible Debentures of face value of ₹ 10,76,193.08 each (March 31, 2022: ₹ 10,00,000 each). The date of allotment is June 29, 2016.	Redeemable on December 31, 2023 and frequency of Interest payment is quarterly.	1,073.65	1,070.25
8 20 (March 31, 2022: 20) @14% Unsecured, Rated, Listed, Redeemable, Subordinate, Taxable, Transferable, Non-Convertible debentures of face value of ₹ 1,00,00,000 each, The date of allotment is December 17, 2019.	Redeemable in four equal tranches starting from June 30, 2025 to December 31, 2026.	1,996.65	1,995.80
9 300 (March 31, 2022: 300), @15.50% (Previous year: 15.50%), Unsecured, Rated, Listed, Redeemable, Subordinated, Taxable, Transferable, Non-Convertible Debentures of face value of ₹ 10,00,000 each (March 31, 2022:₹10,00,000 each). The date of allotment is December 17, 2019.	Redeemable on December 31, 2026 and frequency of Interest payment is half yearly.	2,991.48	2,989.12
10 10,010 (March 31, 2022: 10,010), @ 13.14 % (Previous year: 13.14%), Unsecured, Rated, Unlisted, Redeemable, Subordinated, Taxable, Transferable, Non-Convertible Debentures of face value of ₹ 50,000 each (March 31, 2022: ₹ 50,000 each)., The date of allotment is March 24, 2020.	Redeemable on April 24, 2027 and frequency of Interest payment is half yearly.	4,951.43	4,937.64
Total		**14,622.90**	**21,200.60**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Reconciliation of liabilities arising from financing activities

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

Particulars	Debt securities	Borrowings (other than debt)	Subordinated liabilities	Liability against leased assets	Total
April 1, 2021	171,003.09	393,824.31	52,407.85	877.73	618,112.98
Cash flows:					
– Repayment	(81,783.71)	(316,735.27)	(5,370.18)	(354.99)	(404,244.15)
– Proceeds from overdraft facility	–	10,378.58	–	–	10,378.58
– Proceeds other than overdraft facility	29,630.00	319,571.12	–	–	349,201.12
	(52,153.71)	**13,214.43**	**(5,370.18)**	**(354.99)**	**(44,664.45)**
Non-cash:					
– Addition during the year	–	–	–	137.60	137.60
– Foreign exchange	–	418.11	(50.19)	–	367.92
– Amortisation of upfront fees and others	436.69	1,452.09	43.05	–	1,931.83
– Deferment of upfront processing fee	(44.68)	(1,557.64)	–	–	(1,602.32)
– Others	–	–	–	68.32	68.32
March 31, 2022	**119,241.39**	**407,351.30**	**47,030.53**	**728.66**	**574,351.88**
Cash flows:					
– Repayment	(38,043.56)	(371,545.96)	(9,890.93)	(730.18)	(420,210.63)
– Proceeds from overdraft facility	–	(19,418.35)	–	–	(19,418.35)
– Proceeds other than overdraft facility	28,525.00	426,524.32	–	73.83	455,123.15
	(9,518.56)	**35,560.01**	**(9,890.93)**	**(656.35)**	**15,494.17**
Non-cash:					
– Addition during the year	–	–	–	1,256.53	1,256.53
– Foreign exchange	–	593.54	(53.08)	–	540.46
– Amortisation of upfront fees and others	236.43	1,272.36	36.38	–	1,545.17
– Deferment of upfront processing fee	(315.68)	(1,838.73)	–	–	(2,154.41)
– Others	–	9.56	–	81.38	90.94
March 31, 2023	**109,643.58**	**442,948.04**	**37,122.90**	**1,410.22**	**591,124.74**

Notes:

i) The Borrowings together with debt securities and subordinate liabilities referred in notes 19, 20 and 21 are secured by way hypothecation of portfolio loans arising out of its business operations, cash collateral in the form of fixed deposits.

ii) Vehicles and building are hypothecated for respective borrowings availed for purchase of property plant and equipment.

Terms of repayment of debt securities, other borrowings and subordinated liabilities as on March 31, 2023 are as follows:#

Repayment	Interest rate range	Due within 1 year		Due within 1 to 2 years		Due within 2 to 3 years		Due within 3 to 4 years		Due after 4 years		Total Amount
		No. of instalments	Amount	No. of instalments	Amount	No. of instalments	Amount	No. of instalments	Amount	No. of instalments	Amount	
Monthly	Below 9.00%	233	6,305.44	183	1,702.89	124	30.78	99	26.93	15	3.62	8,069.65
	9% to 12%	4,546	155,148.67	2,235	53,041.16	901	4,478.94	244	2,085.37	123	922.65	215,676.79
	12.01% to 15%	734	29,521.94	540	22,240.79	235	4,924.91	100	1,912.76	26	771.42	59,371.82
	Above 15%	101	1,575.41	58	1,253.04	40	947.83	–	–	–	–	3,776.28
Quarterly	Below 9.00%	19	1,107.28	23	1,394.42	16	807.08	16	804.06	49	1,919.54	6,032.38
	9% to 12%	62	52,575.53	38	28,382.59	14	10,654.01	4	2,466.51	11	6,782.89	100,861.53
	12.01% to 15%	27	12,229.17	11	6,583.33	2	500.00	–	–	–	–	19,312.50
	Above 15%	–	–	–	–	–	–	–	–	–	–	–
Semi-annually	Below 9.00%	2	2,671.50	2	2,671.50	–	–	–	–	–	–	5,343.00
	9% to 12%	8	8,685.71	3	1,000.00	–	–	–	–	–	–	9,685.71
	12.01% to 15%	–	–	–	–	–	–	–	–	–	–	–
	Above 15%	–	–	–	–	2	1,500.00	2	1,500.00	–	–	3,000.00
Annually	9% to 12%	1	833.33	–	–	–	–	–	–	–	–	833.33
Bullet	Below 9.00%	1	2,500.00	1	4,110.85	–	–	–	–	–	–	6,610.85
	9% to 12%	8	19,600.00	–	–	–	–	2	12,332.54	–	–	31,932.54
	12.01% to 15%	13	25,091.18	2	10,530.00	4	35,959.52	2	10,340.00	–	–	81,920.70
	Above 15%	2	3,000.00	–	–	–	–	–	–	–	–	3,000.00
On demand	9% to 12%	2	18,748.13	2	0.49	4	9,625.91	–	–	2	0.96	28,375.49
	12.01% to 15%	3	6,000.00	2	4,875.00	5	13,629.50	–	–	2	0.50	24,505.00
Total		**5,762**	**345,593.28**	**3,100**	**137,786.05**	**1,347**	**83,058.48**	**469**	**31,468.16**	**228**	**10,401.58**	**608,307.56**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Terms of repayment of debt securities, other borrowings and subordinated liabilities as on March 31, 2022 are as follows:#

Repayment	Interest rate range	Due within 1 year		Due within 1 to 2 years		Due within 2 to 3 years		Due within 3 to 4 years		Due after 4 years		Total Amount
		No. of instalments	Amount	No. of instalments	Amount	No. of instalments	Amount	No. of instalments	Amount	No. of instalments	Amount	
Monthly	Below 9.00%	224	19,753.98	169	8,794.40	97	1,684.16	48	12.71	24	6.89	30,252.14
	9% to 12%	384	92,929.04	260	30,133.62	173	14,563.83	103	2,045.97	78	1,441.50	141,113.96
	12.01% to 15%	521	8,746.01	191	1,935.51	34	466.03	2	27.44	–	–	11,174.99
Quarterly	Below 9.00%	189	8,882.29	151	3,508.34	90	1,911.62	33	1,197.76	16	1,045.43	16,545.44
	9% to 12%	62	49,112.62	44	34,226.71	12	6,623.11	2	62.50	–	–	90,024.94
	12.01% to 15%	13	2,464.83	6	1,187.50	–	–	–	–	–	–	3,652.33
Semi-annually	Below 9.00%	2	2,671.50	2	2,671.50	2	2,671.50	–	–	–	–	8,014.50
	9% to 12%	17	20,435.71	8	8,685.71	3	1,000.00	–	–	–	–	30,121.42
	12.01% to 15%	–	–	–	–	–	–	–	–	–	–	
	Above 15%	–	–	–	–	–	–	2	1,500.00	2	1,500.00	3,000.00
Annually	9% to 12%	1	833.33	1	833.33	–	–	–	–	–	–	1,666.66
Bullet	Below 9.00%	4	15,000.00	–	–	–	–	–	–	–	–	15,000.00
	9% to 12%	15	49,540.16	2	5,000.00	1	3,776.00	–	–	2	11,327.99	69,644.15
	12.01% to 15%	3	17,604.77	5	26,400.00	1	3,730.00	1	20,000.00	–	–	67,734.77
	Above 15%	3	6,500.00	–	–	–	–	–	–	–	–	6,500.00
Bullet	–	–	–	1	500.00	–	–	–	–	–	–	500.00
On demand	Variable rates	6	40,293.06	5	24,748.13	4	4,875.49	7	13,631.37	2	0.50	83,548.55
Total		**1,444**	**334,767.30**	**845**	**148,624.75**	**417**	**41,301.74**	**198**	**38,477.75**	**124**	**15,322.31**	**578,493.85**

Note 22 : Other financial liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Interest accrued on debt securities	2,990.37	3,496.31
Interest accrued on borrowings other than debt securities	1,734.94	1,749.90
Interest accrued on subordinated liabilities	489.49	530.26
Payable towards assignment and securitisation transactions	18,178.63	17,800.72
Margin money received from customers	–	167.44
First loss default guarantee	2,462.84	2,998.32
Payable to employees	1,123.33	784.15
Security deposit received	36.75	29.68
Insurance payables	47.33	436.24
Unclaimed amount of preference shares	8.26	8.26
Total	**27,071.94**	**28,001.28**

Note 23 : Provisions

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for gratuity (refer note 47)	59.87	33.94
Provision for compensation absences (refer note 47)	874.35	945.61
Provision for compassionate	0.13	2.78
Total	**934.35**	**982.33**

Note 24 : Other non-financial liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Interest received in advance	217.47	134.66
Deferred income	–	3.61
Statutory dues payables	736.35	897.27
Total	**953.82**	**1,035.54**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Note 25 : Equity share capital

Particulars		As at March 31, 2023		As at March 31, 2022	
		Number	Amount	Number	Amount
A	**Authorised**				
	Equity share capital of face value of ₹ 10 each				
	At the beginning of the year	105,000,000	10,500.00	95,000,000	9,500.00
	Additions during the year	–	–	10,000,000	1,000.00
		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 year	75,143,893	7,514.39	72,066,977	7,206.70
	Additions during the year	10,205,128	1,020.51	3,076,916	307.69
		85,349,021	**8,534.90**	**75,143,893**	**7,514.39**
C	**Issued and Paid-up**				
	Fully paid-up				
	Equity share capital of face value of ₹ 10 each				
	At the beginning of the year	75,018,997	7,501.90	52,038,194	5,203.82
	Additions during the year	10,205,128	1,020.51	22,980,803	2,298.08
		85,224,125	**8,522.41**	**75,018,997**	**7,501.90**
	Less: Amount recoverable from Satin Employees Welfare Trust	(482,946)	(48.29)	(482,946)	(48.29)
	(Equity shares of ₹ 10/- each allotted to the Satin Employees Welfare Trust)	84,741,179	8,474.12	74,536,051	7,453.61
	Add: Forfeited shares (amount originally paid on 1,24,896 equity shares (March 31, 2022: 1,24,896 equity shares)	–	5.51	–	5.51
		84,741,179	**8,479.63**	**74,536,051**	**7,459.12**
D	**Reconciliation of number of equity shares outstanding at the beginning and at the end of the year**				
	Balance at the beginning of the year	75,018,997	7,501.90	72,020,477	6,702.49
	Add: Call money received during the year	–	–	–	494.88
	Add: Issued during the year	10,205,128	1,020.51	3,076,916	307.69
	Less: Forfeited shares	–	–	78,396	3.16
		85,224,125	**8,522.41**	**75,018,997**	**7,501.90**
E	**Reconciliation of number of equity shares issued to Satin Employees Welfare Trust outstanding at the beginning and at the end of the year**				
	Balance at the beginning of the year	482,946	48.29	482,946	44.94
	Add: Call money received during the year	–	–	–	3.35
		482,946	**48.29**	**482,946**	**48.29**

F During the current financial year, the Company has allotted 1,02,05,128 equity shares of face value of ₹ 10/- each to Trishashna Holdings & Investments Private Ltd' (THIPL) (entity belonging to promoter group) and Florintree Ventures LLP (entity belonging to non-promoter group) pursuant to conversion of Fully Convertible Warrants of ₹ 10 each at issue price of ₹ 81.25 per warrant including premium of ₹ 71.25 per warrant.

G 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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

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

Name of shareholder	As at March 31, 2023		As at March 31, 2022	
	Number	%	Number	%
Trishashna Holdings & Investments Private Limited (THIPL)	31,579,692	37.05%	25,477,128	33.96%
Nordic Microfinance Initiative Fund III KS	4,663,136	5.47%	4,663,136	6.22%

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

i) On May 30, 2018, the Company had allotted 1,230,098 equity shares of ₹ 10 each on conversion of 1,230,098, 0.01% Optionally Convertible, Redeemable Preference Shares ("OCRPS") of face value of ₹ 10 each fully paid-up to Capital First Limited (entities belonging to non-promoter group).

ii) 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 ("OCCRPS") of face value of ₹ 10 each fully paid-up to IndusInd Bank Limited (entities belonging to non-promoter group).

J Shares reserved for issue under options

For details of shares reserved for issue under the Employee Stock Option Plan (ESOP), refer note to 56.

K The information required to be disclosed that enables user of its financial statements to evaluate the objectives, policies and process for managing capital is disclosed in note 44.

L Shareholdings of Promoters

Promoter Name	As at March 31, 2023		As at March 31, 2022		% Change during the year
	No. of Shares	% of Total Shares	No. of Shares	% of Total Shares	
Mrs. Anureet HP Singh	726,148	0.85%	726,148	0.97%	(0.12%)
Mr. Harbans Singh (deceased)	406,402	0.48%	406,402	0.54%	(0.06%)
Mr. Satvinder Singh	385,703	0.45%	385,703	0.51%	(0.06%)
Mrs. Neeti Singh	204,092	0.24%	204,092	0.27%	(0.03%)
Trishashna Holdings & Investments Private Limited	31,579,692	37.05%	25,477,128	33.96%	3.09%
Wisteria Holdings & Investments Private Limited	322,262	0.38%	322,262	0.43%	(0.05%)
Total	**33,624,299**	**39.45%**	**27,521,735**	**36.68%**	2.77%

Note 26 : Other equity

Particulars	As at March 31, 2023	As at March 31, 2022
Capital redemption reserve	2,777.00	2,777.00
Statutory reserve	16,573.30	11,003.98
General reserve	29.94	29.94
Securities premium	113,726.31	106,455.16
Retained earnings	19,735.05	24,864.90
Money received against share warrants	2,927.08	5,000.00
Other comprehensive income:		
Equity instruments through other comprehensive income	(2,049.12)	(5.00)
Changes in fair value of loan assets	613.25	579.68
Cash flow hedge reserve	–	20.56
Total	**154,332.81**	**150,726.22**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Nature and purpose of other reserve

Capital redemption reserve

The same had been created in accordance with provisions of the Companies Act, 2013 on account of redemption of preference shares.

Statutory reserve

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

General reserve

The management has transferred a portion of the net profit to general reserve before declaring dividend pursuant to the provision of erstwhile Companies Act.

Securities premium

Securities premium represents premium received on issue of shares. The amount is utilised in accordance with the provisions of the Companies Act 2013.

Money received against share warrants

During the last year, the Company had allotted Fully Convertible Warrants of ₹ 10 each at issue price of ₹ 81.25 per warrant including premium of ₹ 71.25 per warrant (25% of which was paid on allotment of warrant and 75% shall be payable at the time of exercising the warrants) on preferential basis to Trishashna Holdings & Investments Private Ltd (THIPL) (1,23,07,692 warrants) (entity belonging to promoter group) and Florintree Ventures LLP (1,23,07,692 warrants) (entity belonging to non-promoter group) on January 25, 2022. Out of the said warrants 1,02,05,128 warrants (61,02,564 warrants by THIPL and 41,02,564 warrants by Florintree Ventures LLP) have been converted during the year.

Equity instruments through other comprehensive income

This represents the cumulative gains and losses arising on the fair valuation of equity instruments measured at fair value through other comprehensive income.

Changes in fair value of loan assets

This represents the cumulative gains and losses arising on the fair valuation of loan assets classified under business model of hold and hold to collect and sell.

Cash flow hedge reserve

Cash flow hedge reserve is used to eliminate or reduce the exposure that arises from changes in the cash flows of a financial asset or liability (or other eligible exposure) due to changes in a particular risk, such as interest rate risk on a floating rate debt instrument.

Note 27 : Interest income

Particulars	For the year ended March 31, 2023			For the year ended March 31, 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
Interest income on portfolio loans	27,029.70	–	85,674.99	9,241.68	–	103,722.70
Income from housing loans	–	–	5,112.33	–	–	3,303.33

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2023			For the year ended March 31, 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
Interest income on deposits	4,850.99	–	–	4,796.76	–	–
Interest income on certificate of deposits and commercial papers	–	256.56	–	–	738.64	–
Interest income on unwinding of assigned portfolio	1,972.27	–	–	970.38	–	–
Sub-total	**33,852.96**	**256.56**	**90,787.32**	**15,008.82**	**738.64**	**107,026.03**
Total			**124,896.84**			**122,773.49**

Note 28 :Dividend income

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Dividend income	0.17	3.15
Total	**0.17**	**3.15**

Note 29 : Rental income

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Rental income on building	38.28	35.63
Total	**38.28**	**35.63**

Note 30 : Fees and commission income

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Service fee and facilitation charges	2,158.30	682.25
Income from business correspondent operations*	5,516.11	7,444.52
Total	**7,674.41**	**8,126.77**

*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 year ended March 31, 2023	For the year ended March 31, 2022
Type of Services or service		
Income from business correspondent operations	5,516.11	7,444.52
Total revenue from contracts with customers	**5,516.11**	**7,444.52**
Geographical markets		
India	5,516.11	7,444.52
Outside India	–	–
Total revenue from contracts with customers	**5,516.11**	**7,444.52**
Timing of revenue recognition		
Services transferred at a point in time	–	–
Services transferred over time	5,516.11	7,444.52
Total revenue from contracts with customers	**5,516.11**	**7,444.52**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Contract balances		
Trade receivable	698.53	882.84
Contract Assets	825.64	2,250.84
Contract Liabilities	–	–

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

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue as per Contract	5,516.11	7,444.52
Adjustments	-	-
Discount	-	-
Revenue from contract with customers	**5,516.11**	**7,444.52**

Note 31 : Net gain on fair value changes

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(A) Net gain on financial instruments measured at fair value through profit and loss		
- Investments		
Gain on sale of mutual funds	375.37	264.81
Gain on fair valuation of other investments	1.19	–
(B) Others		
– Derivatives	1,038.89	1,158.62
Total	**1,415.45**	**1,423.43**
Fair value changes		
– Realised	375.37	263.11
– Unrealised	1,040.08	1,160.32
Total	**1,415.45**	**1,423.43**

Note 32 : Net gain on derecognition of financial instruments

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Gain on sale of loan portfolio through assignment	21,571.16	5,165.51
Total	**21,571.16**	**5,165.51**

Note 33 : Other operating income

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Commitment and other charges	132.73	176.60
Total	**132.73**	**176.60**

Note 34 : Other income

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Promotion of financial products	90.00	55.00
Net gain on derecognition of property, plant and equipment	9.95	2.75
Net gain on termination of leases	7.59	7.78
Interest income on income - tax refund	–	69.93
Miscellaneous income	65.75	273.94
Total	**173.29**	**409.40**

Notes to the Consolidated Financial Statements
for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Note 35 : Finance costs (on financial liabilities measured at amortised cost)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest on borrowings (other than debt securities)	41,624.35	36,560.71
Interest on debt securities	12,703.81	18,520.51
Interest on subordinated liabilities*	5,848.88	6,918.75
Interest expense for leasing arrangements	141.07	89.03
Other interest expenses	972.25	787.41
Bank charges	382.74	195.10
Total	**61,673.10**	**63,071.51**

* This includes dividend on Cumulative, Non-Participative, Non Convertible, Compulsorily Redeemable Preference Shares of ₹ Nil (March 31. 2022 : ₹ 20.31 Lakhs) paid during the year along with redemption of the same.

Note 36 : Impairment on financial instruments

Particulars	For the year ended March 31, 2023		For the year ended March 31, 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
Loans written off	356.80	59,469.91	97.60	11,810.92
Impairment loss allowance on trade receivable and other receivable	25.37	–	15.79	–
Impairment loss allowance on housing and other loans	225.45	(19,269.31)	457.33	5,692.02
Total	**607.62**	**40,200.60**	**570.72**	**17,502.94**

Note 37 : Employee Benefit Expenses

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries, wages and bonus	35,340.71	35,366.02
Contribution to provident and other funds	2,946.28	3,472.89
Share based payment to employees	–	(5.76)
Staff welfare expenses	473.30	479.28
Total	**38,760.29**	**39,312.43**

Note 38 : Depreciation and amortisation

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation on property, plant and equipment	1,120.44	1,203.80
Depreciation on right-of-use assets	609.96	289.72
Depreciation on investment property	34.00	35.75
Amortisation on intangible assets	74.97	80.50
Total	**1,839.37**	**1,609.77**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Note 39 : Other expenses

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Travelling and conveyance	2,366.79	671.45
Legal and professional charges	1,630.78	1,442.50
Insurance	430.50	558.47
Rent	1,401.63	1,659.81
Auditor's fee and expenses*	81.32	78.86
Rates and taxes	169.42	127.14
Repairs and maintenance	737.68	590.87
Director's fees, allowances and expenses	91.19	68.24
Software expenses	80.26	67.71
Documentation charges	362.04	128.64
Corporate social responsibility	175.45	341.93
Net loss on derecognition of property, plant and equipment	–	22.78
Property, plant and equipment written off	6.01	39.14
Printing and stationery	592.45	443.78
Communication costs	507.37	507.94
Write off against first loss default guarantee	640.18	2,914.03
First loss default guarantee expenses	(535.49)	42.08
Website and maintenance charges	38.41	18.46
Advertisement and publicity	241.91	104.89
Cash embezzlement	119.92	102.78
Other administrative expenses	1,739.60	1,478.97
Miscellaneous expenses	1,419.86	1,218.28
Total	**12,297.28**	**12,628.75**

*** Remuneration to auditors comprises of (excluding applicable taxes):**

As auditors	53.81	52.32
Other services	14.40	17.82
Reimbursement of expenses	13.11	8.72
Total	**81.32**	**78.86**

Note 40 : Tax expense

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current tax	193.96	3,196.54
Income tax for earlier years	(242.85)	206.16
Deferred tax credit	91.65	(2,054.73)
Tax expense reported in the Statement of Profit and Loss	**42.76**	**1,347.97**

The major components of tax expense and its reconciliation to expected tax expense based on the enacted tax rate applicable to the Company is 25.168% (March 31, 2022: 25.168%) and the reported tax expense in statement of profit and loss are as follows:

Accounting profit before tax expense	524.07	3,417.86
Income tax rate	25.168%	25.168%
Expected tax expense	131.90	860.21
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense		
Tax impact of expenses which is non deductible	58.11	203.03
Tax impact on items exempt under income tax	–	(2.57)
Income tax for earlier years	(242.85)	206.16
Tax on profit elimination	(8.62)	60.54
Others	104.22	20.60
Tax expense	**42.76**	**1,347.97**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Note 41 : Earnings per share (EPS)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Net profit for the year for basic earnings per share	**481.31**	**2,069.89**
Dilutive impact of share warrants	–	–
Net profit for the year for diluted earnings per share	**481.31**	**2,069.89**
Nominal value of equity share (₹)	10	10
Weighted-average number of equity shares for basis earnings per share	78,231,361	69,888,690
Effect of dilution:		
Share warrants	3,602,564	6,153,846
Weighted-average number of equity shares used to compute diluted earnings per share	**81,833,925**	**76,042,536**
Basic earnings per share (₹)	**0.62**	**2.96**
Diluted earnings per share (₹)	**0.59**	**2.72**

All the above mentioned repayments disclosed as per the contractual maturities of debt securities, borrowing other than debt securities and subordinate liabilities at gross carrying value.

Note 42 : Financial instruments

A Financial assets and liabilities

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

Particulars	Note	As at March 31, 2023	As at March 31, 2022
Financial assets measured at fair value			
Derivative financial instruments	Note - 6	2,231.64	1,192.75
Loans measured at fair value through other comprehensive income	Note - 8	417,324.36	417,502.88
Investments* measured at			
Fair value through other comprehensive income	Note - 9	5,936.39	4,505.00
Fair value through profit and loss	Note - 9	111.70	169.75
Financial assets measured at amortised cost			
Cash and cash equivalents	Note - 4	25,770.63	109,126.48
Bank balances other cash and cash equivalents	Note - 5	85,665.12	91,067.88
Trade receivables	Note - 7	539.45	276.08
Loans	Note - 8	215,561.31	113,339.39
Investments*	Note - 9	127.81	181.87
Security deposits	Note - 10	253.59	356.53
Other financial assets	Note - 10	2,059.21	2,546.36
Total		**755,581.21**	**740,264.97**

Financial liabilities measured at amortised cost			
Trade payables	Note - 17	507.87	1,278.48
Other payables	Note - 18	1,551.65	1,692.21
Debt securities (including interest accrued)	Note - 19 and 22	112,633.95	122,737.70
Borrowings other than debt securities (including interest accrued)	Note - 20 and 22	446,093.20	409,829.86
Sub-ordinated liabilities (including interest accrued)	Note - 21 and 22	37,612.39	47,560.79
Other financial liabilities	Note - 22	21,857.14	22,224.81
Total		**620,256.20**	**605,323.85**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

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 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

As at March 31, 2022	Level 1	Level 2	Level 3	Total
Assets				
Loans at fair value through other comprehensive income				
Loans	–	417,502.88	–	417,502.88
Investments at fair value through other comprehensive income				
Security Receipts	–	–	4,505.00	4,505.00
Investments at fair value through profit and loss				
Mutual funds	59.24	–	–	59.24
Government securities	–	0.51	–	0.51
Derivative financial assets at fair value through profit and loss				
Currency and interest swaps	–	1,192.75	–	1,192.75

Valuation process and technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

(a) 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.

(b) The use of net asset value for mutual funds and certificate of deposits on the basis of the statement received from investee party.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

(c) The value of derivative contracts are determined using mark to market value shared by contracting bank at balance sheet date.

(d) The use of net asset value for security receipts on the basis of the value declared by investee party.

(e) The use of net asset value for government securities on the basis of the value declared by government.

B.2 Fair value of instruments measured at amortised cost

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

Particulars	As at March 31, 2023		As atMarch 31, 2022	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Cash and cash equivalents	25,770.63	25,770.63	109,126.48	109,126.48
Bank balances other than cash and cash equivalents	85,665.12	85,665.12	91,067.88	91,067.88
Trade receivables	539.45	539.45	276.08	276.08
Loans	215,561.31	216,734.21	113,339.39	114,025.33
Investments	127.81	127.81	181.87	181.87
Security deposits	253.59	248.16	356.53	358.75
Other financial assets	2,059.21	2,128.31	2,546.36	2,546.36
Total	**329,977.12**	**331,213.69**	**316,894.59**	**317,582.75**
Financial liabilities				
Trade payables	507.87	507.87	1,278.48	1,278.48
Other payables	1,551.65	1,551.65	1,692.21	1,692.21
Debt securities (including interest accrued)	112,633.95	116,948.44	122,737.70	126,258.68
Borrowings other than debt securities (including interest accrued)	446,093.20	446,573.75	409,829.86	412,120.52
Sub-ordinated liabilities (including interest accrued)	37,612.39	37,947.69	47,560.79	48,051.87
Other financial liabilities	21,857.14	20,911.52	22,224.81	22,224.81
Total	**620,256.20**	**624,440.92**	**605,323.85**	**611,626.57**

The management assessed that fair values of cash and cash equivalents, other bank balances, trade receivables and trade payables approximate their respective carrying amounts, largely due to the short-term maturities of these instruments. The following methods and assumptions were used to estimate the fair values for other assets and liabilities:

(i) The fair values of fixed interest bearing loans are determined by applying set of discount rates and then averaged out to arrive at the fair value.

(ii) The fair values of fixed rate interest-bearing debt securities, borrowings and subordinated liabilities are determined by applying discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. For variable rate interest-bearing debt securities, borrowings and subordinated liabilities, carrying value represent best estimate of their fair value as these are subject to changes in underlying interest rate indices as and when the changes happen.

Note 43 : 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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

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 and other financial assets	Life time expected credit loss or 12 month expected credit loss
High credit risk	Loans	Life time expected credit loss or fully provided for

Financial assets that expose the entity to credit risk*

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(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Low credit risk		
Cash and cash equivalents	21,069.58	103,747.95
Bank balances other than cash and cash equivalents	85,665.12	91,067.88
Trade receivables	540.05	285.63
Loans	621,155.74	477,629.68
Investments	6,175.90	4,856.62
Security deposits	253.59	356.53
Other financial assets	2,059.21	2,546.36
(ii) Moderate credit risk		
Loans	4,314.06	8,095.38
(iii) High credit risk		
Loans	20,339.19	45,117.20
Other financial assets	35.40	4.14

* 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.

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 Micro, Small and Medium Enterprises loans Housing and other 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

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for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

* 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 other than loans

As at March 31, 2023	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
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
Investments	8,869.94	2,694.04	6,175.90
Security deposits	253.59	–	253.59
Other financial assets	2,094.61	35.40	2,059.21

As at March 31, 2022	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	103,747.95	–	103,747.95
Bank balances other than cash and cash equivalents	91,067.88	–	91,067.88
Trade receivables	285.63	9.55	276.08
Investments	4,856.62	–	4,856.62
Security deposits	356.53	–	356.53
Other financial assets	2,550.50	4.14	2,546.36

ii) Expected credit loss for loans

Definition of default:

The Group considers default in all cases when the borrower becomes 90 days past due on its contractual payments. 'The Expected Credit Loss (ECL) is measured at 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 loan assets. ECL is the product of the Probability of Default, Exposure at Default and Loss Given Default.

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

Particulars	Stage 1	Stage 2	Stage 3
Gross carrying amount as at April 1, 2021	**545,344.96**	**13,675.79**	**49,977.73**
Assets originated*	297,304.82	1,032.25	2,024.24
Net transfer between stages			
Transfer to stage 1	8,021.60	(7,447.86)	(573.74)
Transfer to stage 2	(8,587.17)	8,670.38	(83.21)
Transfer to stage 3	(7,436.40)	(3,468.10)	10,904.49
Assets derecognised or collected (excluding write offs)	(322,408.20)	(4,121.02)	(4,361.30)
Write - offs (including death cases)	–	–	(12,338.91)
Gross carrying amount as at March 31, 2022	**512,239.61**	**8,341.44**	**45,549.30**
Assets originated*	493,707.59	1,059.98	1,026.80
Net transfer between stages			
Transfer to stage 1	1,948.85	(1,823.77)	(125.07)
Transfer to stage 2	(17,241.09)	17,255.74	(14.65)
Transfer to stage 3	(36,365.47)	(3,695.59)	40,061.06
Assets derecognised or collected (excluding write offs)	(333,275.66)	(4,215.82)	(15,038.15)
Write - offs (including death cases)	–	(12,499.33)	(51,087.79)
Gross carrying amount as at March 31, 2023	**621,013.83**	**4,422.65**	**20,371.50**

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* Assets originated has been presented net of collection made during the year.

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

Reconciliation of loss allowance	Loans			Other financial
	Stage 1	Stage 2	Stage 3	assets
Loss allowance on April 1, 2021	**2,747.84**	**5,854.80**	**20,730.24**	**6.43**
Increase of provision due to assets originated during the year	665.12	205.91	877.09	–
Net transfer between stages				
Transfer to stage 1	2,129.68	(1,900.34)	(229.34)	–
Transfer to stage 2	(109.99)	146.49	(36.50)	–
Transfer to stage 3	(703.17)	(1,017.43)	1,720.60	–
Assets derecognised or collected	(500.29)	(449.42)	(6,248.13)	7.26
Impact of ECL on exposures transferred between stages during the year	(2,775.66)	1,661.48	12,519.10	–
Loss allowance on March 31, 2022	**1,453.53**	**4,501.49**	**29,333.06**	**13.69**
Increase of provision due to assets originated during the year	1,072.86	259.97	535.54	–
Net transfer between stages				
Transfer to stage 1	206.01	(182.98)	(23.03)	–
Transfer to stage 2	(38.29)	45.66	(7.36)	–
Transfer to stage 3	(68.46)	(293.05)	361.51	–
Assets derecognised or collected	(747.65)	(3,798.66)	(25,596.43)	22.31
Impact of ECL on exposures transferred between stages during the year	(463.92)	450.11	5,922.40	–
Loss allowance on March 31, 2023	**1,414.08**	**982.54**	**10,525.69**	**36.00**

c) Concentration of loans

Particulars	As at March 31, 2023	As at March 31, 2022
Micro finance loans	545,850.62	492,128.89
Micro, Small and Medium Enterprises (MSME)	58,934.27	48,079.96
Housing finance and other loans	47,011.93	29,834.31
Less: Unamortised processing fee	(5,988.84)	(4,059.09)
Total	**645,807.98**	**565,984.07**

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 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
As at March 31, 2022	
MSME loans secured by property, plant and equipment (including land, building and plots)	41,946.63
MSME loans secured by book debts, inventories, margin money and other working capital items	1,733.28

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 possesses 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 March 31, 2023	Total facility	Drawn	Undrawn
- Expiring within one year	1,053.50	553.50	500.00
- Expiring beyond one year	8,527.93	2,002.92	6,525.01
Total	**9,581.43**	**2,556.42**	**7,025.01**

As at March 31, 2022	Total facility	Drawn	Undrawn
- Expiring within one year	89,205.00	86,700.17	2,504.83
- Expiring beyond one year	348,086.45	318,145.78	29,940.67
Total	**437,291.45**	**404,845.95**	**32,445.50**

(ii) Maturities of financial assets and liabilities

The tables below analyse the Group financial assets and liabilities into relevant maturity groupings based on their contractual maturities. The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. Derivatives have been classified to mature and/or be repaid within 12 months, regardless of the actual contractual maturities of the products. With regard to loans and advances to customers, the Group uses the same basis of expected repayment behaviour as used for estimating the EIR. Issued debt reflect the contractual coupon amortisations.

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

As at March 31, 2023	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Financial assets					
Non-derivatives					
Cash and cash equivalents	25,772.71	–	–	–	25,772.71
Bank balances other than cash and cash equivalents	58,803.78	27,338.00	3,178.73	151.93	89,472.44
Trade receivables	539.45	–	–	–	539.45
Loans	427,315.86	249,808.01	27,194.68	74,137.34	778,455.89
Investments	0.51	–	–	–	0.51
Other financial assets	2,374.30	17.71	14.41	10.88	2,417.30
Derivatives (net settled)					
Derivative financial instruments	2,231.64	–	–	–	2,231.64
Total undiscounted financial assets	**517,038.25**	**277,163.72**	**30,387.82**	**74,300.15**	**898,889.94**
Financial liabilities					
Non-derivatives					
Debt Securities	67,896.95	21,028.71	30,928.40	11,606.60	131,460.66

Notes to the Consolidated Financial Statements
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(All amounts in ₹ lakhs, unless otherwise stated)

Borrowings other than debt securities	325,521.23	135,285.08	35,079.11	33,744.58	529,630.00
Subordinated liabilities	11,611.27	3,875.63	29,262.67	2,779.18	47,528.75
Trade payables	507.87	–	–	–	507.87
Other payables	1,551.65	–	–	–	1,551.65
Other financial liabilities	21,857.14	–	–	–	21,857.14
Provision	0.13	–	–	–	0.13
Total undiscounted financial liabilities	**428,946.24**	**160,189.42**	**95,270.18**	**48,130.36**	**732,536.20**
Net undiscounted financial assets/(liabilities)	**88,092.01**	**116,974.30**	**(64,882.36)**	**26,169.79**	**166,353.74**

As at March 31, 2022	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Financial assets					
Non-derivatives					
Cash and cash equivalents	108,762.50	–	–	–	108,762.50
Bank balances other than cash and cash equivalents	70,643.62	16,891.12	5,862.12	350.56	93,747.42
Trade receivables	276.08	–	–	–	276.08
Loans	391,124.21	180,888.26	24,490.37	43,996.35	640,499.19
Investments	1,004.65	1,967.83	1,824.41	–	4,796.89
Other financial assets	2,942.28	51.80	34.85	53.80	3,082.73
Derivatives (net settled)					
Derivative financial instruments	1,192.75	–	–	–	1,192.75
Total undiscounted financial assets	**575,946.09**	**199,799.01**	**32,211.75**	**44,400.71**	**852,357.56**
Financial liabilities					
Non-derivatives					
Debt Securities	56,779.37	63,675.91	10,313.58	9,607.41	140,376.27
Borrowings other than debt securities	313,041.16	96,224.07	37,800.22	20,154.43	467,219.88
Subordinated liabilities	16,954.57	10,421.85	3,874.35	32,041.86	63,292.63
Trade payables	1,278.48	–	–	–	1,278.48
Other payables	1,692.21	–	–	–	1,692.21
Other financial liabilities	22,224.81	–	–	–	22,224.81
Provision	2.78	–	–	–	2.78
Total undiscounted financial liabilities	**411,973.38**	**170,321.83**	**51,988.15**	**61,803.70**	**696,087.06**
Net undiscounted financial assets/(liabilities)	**163,972.71**	**29,477.18**	**(19,776.40)**	**(17,402.99)**	**156,270.50**

The Group has restructured certain loans in accordance with the RBI circular RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22 dated May 05, 2021. The maturities of financial assets and liabilities, as above, are the amount due and payable only to the extent the contractual terms with borrowers and provider of finances were amended as at March 31, 2022.

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 arise 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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

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 March 31, 2023	As at March 31, 2022
Financial liabilities			
External commercial borrowings (including interest accrued)	USD	41,691.24	31,437.45
(Gain)/loss: Derivative contract		(2,231.64)	(1,192.75)

Sensitivity

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

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
USD sensitivity*		
INR/USD- increase by 5%	(2,084.56)	(1,571.87)
INR/USD- decrease by 5%	2,084.56	1,571.87

* 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 March 31, 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 March 31, 2023	As at March 31, 2022
Variable rate liabilities		
Debt securities	–	–
Borrowings other than debt securities	170,303.80	160,014.19
Subordinated liabilities	20,000.00	20,000.00
Fixed rate liabilities		
Debt securities	109,643.58	119,241.39
Borrowings other than debt securities	274,054.46	248,065.77
Subordinated liabilities	17,122.90	27,030.53
Total	**591,124.74**	**574,351.88**

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 year ended March 31, 2023	For the year ended March 31, 2022
Interest sensitivity*		
Interest rates – increase by 0.50%	774.96	738.81
Interest rates – decrease by 0.50%	(774.96)	(738.81)

* Holding all other variables constant

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for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

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.

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 after tax

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Mutual fund, Certificate of deposits and commercial paper		
Net assets value – increase by 5%	–	2.99
Net assets value – decrease by 5%	–	(2.99)

Note 44 : 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 March 31, 2023	As at March 31, 2022
Net debt*	484,903.79	379,933.99
Total equity	162,812.44	158,185.34
Net debt to equity ratio	**2.98**	**2.40**

* 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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Note 45 : Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. Derivatives have been classified to mature and/or be repaid within 12 months, regardless of the actual contractual maturities.

Particulars	As at March 31, 2023		As at March 31, 2022	
	Within 12 months	After 12 months	Within 12 months	After 12 months
ASSETS				
Financial assets				
Cash and cash equivalents	25,770.63	–	109,126.48	–
Bank balances other than cash and cash equivalents	57,206.38	28,458.74	69,387.96	21,679.92
Derivative financial instruments	2,231.64	–	1,192.75	–
Trade receivables	539.45	–	276.08	–
Loans	322,586.32	310,299.35	303,109.49	227,732.78
Investments	0.51	6,175.39	1,195.97	3,660.65
Other financial assets	2,240.16	72.64	2,836.48	66.41
	410,575.09	**345,006.12**	**487,125.21**	**253,139.76**
Non-financial assets				
Current tax assets (net)	3,321.63	1,005.92	(116.53)	642.63
Deferred tax assets (net)	–	8,857.48	161.66	8,092.00
Property, plant and equipment	–	8,681.88	118.71	8,163.47
Capital work-in-progress	–	–	–	17.89
Investment Property	–	664.26	–	698.26
Goodwill	–	3,370.66	–	3,370.66
Other intangible assets	–	179.17	–	230.40
Other non-financial assets	2,482.17	812.43	3,441.33	441.61
	5,803.80	**23,571.80**	**3,605.17**	**21,656.92**
TOTAL ASSETS	**416,378.89**	**368,577.92**	**490,730.38**	**274,796.68**
LIABILITIES AND EQUITY				
LIABILITIES				
Financial liabilities				
Payables				
Trade payables				
(i) total outstanding dues of micro enterprises and small enterprises	10.42	–	10.42	–
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	497.45	–	1,268.06	–
Other payables				
(i) total outstanding dues of micro enterprises and small enterprises	23.87	–	172.02	–
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1,527.78	–	1,520.19	–
Debt securities	57,375.23	52,268.35	44,657.54	74,583.85
Borrowings (other than debt securities)	250,304.41	194,053.85	270,723.18	137,356.78
Subordinated liabilities	7,168.00	29,954.90	11,102.78	35,927.75
Other financial liabilities	25,527.97	1,543.97	27,865.61	135.67
	342,435.13	**277,821.07**	**357,319.80**	**248,004.05**
Non-financial liabilities				
Provisions	226.85	707.50	320.41	661.92
Other non-financial liabilities	953.82	–	1,033.96	1.58
	1,180.67	**707.50**	**1,354.37**	**663.50**
TOTAL LIABILITIES	**343,615.80**	**278,528.57**	**358,674.17**	**248,667.55**
Net equity	**72,763.09**	**90,049.35**	**132,056.21**	**26,129.13**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Note 46 : Transferred financial assets

In the course of its financing activity, the group transfers financial assets, where legal rights to the cash flows from the asset are passed to the counterparty and where the group retains the rights to the cash flows but assumes a responsibility to transfer them to the counterparty.

The group has securitized its loan assets to unrelated and unconsolidated entities. As per the terms of the agreements, the group is exposed to first loss default guarantee amounting in range of 12% to 20% of the amount securitised and therefore continues to be exposed to significant risk and rewards relating to the underlying mortgage receivables. Hence, these loan assets are not derecognised and proceeds received are presented as borrowings.

The following tables provide a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities:

Particulars	As at March 31, 2023	As at March 31, 2022
Gross carrying amount of securitised assets	130,709.80	54,457.03
Gross carrying amount of associated liabilities	115,267.09	50,294.24
Carrying value and fair value of securitised assets	129,764.99	54,153.40
Carrying value and fair value of associated liabilities	115,267.09	50,294.24
Net position	**14,497.90**	**3,859.16**

Note 47 : Employee benefits

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

A Defined contribution plans

Provident and other funds

The Group makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund and other funds which are defined contribution plans. The Group has no obligations other than this to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrue.

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Employers contribution to provident and other fund	2,946.28	3,472.89

B Defined benefit plans

Gratuity

The Group has defined benefit gratuity plan. Every employee is entitled to gratuity as per the provisions of the Payment of Gratuity Act, 1972. The scheme is funded and the scheme is managed by Life Insurance Companies. The liability of Gratuity is recognized on the basis of actuarial valuation.

Risks associated with plan provisions

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

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(All amounts in ₹ lakhs, unless otherwise stated)

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

Particulars	As at March 31, 2023	As at March 31, 2022
Present value of obligation	1,585.86	1,524.78
Fair value of plan assets	1,612.68	1,490.84
Net obligation recognised in balance sheet as non-financial assets	**(26.82)**	**33.94**

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

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current service cost	291.01	276.93
Past service cost including curtailment gains/losses	–	(3.09)
Interest cost on defined benefit obligation	102.48	94.07
Interest income on plan assets	(104.49)	(96.24)
Net impact on profit/(loss) before tax	**289.00**	**271.67**

Amount recognised in the other comprehensive income:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Actuarial gain/(loss) unrecognised during the year	(47.92)	19.57

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

Particulars	As at March 31, 2023	As at March 31, 2022
Present value of defined benefit obligation as at the beginning of year	1,524.78	1,498.59
Current service cost	291.01	276.93
Interest cost	103.76	101.30
Past service cost including curtailment gains/losses	–	(3.09)
Benefits paid	(373.63)	(348.23)
Actuarial loss/(gain) on obligation	–	–
Actuarial (gain)/loss on arising from change in demographic assumption	–	(57.23)
Actuarial (gain)/loss on arising from change in financial assumption	(11.18)	(17.00)
Actuarial loss on arising from experience adjustment	51.12	73.51
Present value of defined benefit obligation as at the end of the year	**1,585.86**	**1,524.78**

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

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

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

Particulars	As at March 31, 2023	As at March 31, 2022
Fair value of plan assets at beginning of year	1,490.84	1,530.68
Actual return on plan assets	94.31	119.23
Employer's contribution	401.24	189.16
Benefits paid	(373.63)	(348.23)
Expected return on plan assets	2.39	–
Actuarial loss/(gain) on plan assets	(2.47)	–
Fair value of plan assets at the end of the year	**1,612.68**	**1,490.84**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

(vi) Actuarial assumptions

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Discounting rate	7.39%	7.26%
Future salary increase	4.00%	4.00% - 8.00%
Retirement age (years)	60	58 - 60
Withdrawal rate		
Up to 30 years	56.21% - 25.50%	56.21% - 5.00%
From 31 to 44 years	43.75% - 17.77%	43.75% - 3.00%
Above 44 years	50.00% - 0.00%	50.00% - 0.28%
Weighted average duration	1.36 - 3.94	1.36 - 3.73

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

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

(vii) Sensitivity analysis for gratuity liability

Particulars	As at March 31, 2023	As at March 31, 2022
Impact of the change in discount rate		
Present value of obligation at the end of the year	1,585.86	1,524.78
– Impact due to increase of 0.50 %	(42.52)	(34.30)
– Impact due to decrease of 0.50 %	45.71	36.57
Impact of the change in salary increase		
Present value of obligation at the end of the year	1,585.86	1,524.78
– Impact due to increase of 0.50 %	46.93	37.52
– Impact due to decrease of 0.50 %	(43.98)	(35.45)

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

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

(viii) Maturity profile of defined benefit obligation (discounted)

Particulars	As at March 31, 2023	As at March 31, 2022
0 to 1 year	398.57	431.91
1 to 2 year	179.64	191.80
2 to 3 year	130.63	143.54
3 to 4 year	98.88	105.93
4 to 5 year	139.82	79.23
5 to 6 year	64.57	113.21
6 year onwards	573.75	459.16
Total	**1,585.86**	**1,524.78**

Note 48 : 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

Notes to the Consolidated Financial Statements

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(All amounts in ₹ lakhs, unless otherwise stated)

Name of key managerial personnel	Designation
Mr. Adhish Swaroop (till May 11, 2021)	Company Secretary and Compliance 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

Taraashna Financial Services Limited*	
Mr. Rahul Garg (till February 28, 2023)	Chief Financial Officer
Mr. Manoj Kumar Jasoria (till January 31, 2022)	Company Secretary
Ms. Sneha Khanduja (w.e.f. July 29, 2022 till February 28, 2023)	Company Secretary
Mr. Partha Mukherjee (till August 31, 2022)	Chief Executive Officer & Whole Time Director

Satin Housing Finance Limited	
Mr. Sachin Sharma	Chief Financial Officer
Mr. Prince Kumar (till April 27, 2022)	Company secretary and Compliance officer
Ms. Vaishali Goyal (w.e.f. April 28, 2022)	Company secretary and Compliance officer
Mr. Amit Sharma	Managing Director and Chief Executive Officer
Dr. Jyoti Ahluwalia (w.e.f. April 27, 2022)	Director

Satin Finserv Limited*	
Mr. Arjun Bansal (w.e.f. June 15, 2021)	Chief Financial Officer
Mr. Jitendra Jain (w.e.f. May 31, 2021)	Chief Financial Officer
Mr. Puneet Jolly	Company secretary and Compliance officer
Mr. Sumit Mukherjee	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

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 year ended March 31, 2023	For the year ended March 31, 2022
Mr. Harvinder Pal Singh	Remuneration	140.32	140.32
	Provident fund and others	14.39	14.39
	Personal guarantees given	25,780.00	8,333.33
	Personal guarantees withdrawn	10,655.81	–
Mr. Satvinder Singh	Personal guarantees given	–	–
	Personal guarantees withdrawn	10,000.00	20,000.00
Mr. Harvinder Pal Singh and Mr. Satvinder Singh	Personal guarantees given (jointly)	79,100.00	–
	Personal guarantees withdrawn (jointly)	95,451.53	31,618.74
Mr. Jugal Kataria	Remuneration	140.29	132.89
Mr. Rakesh Sachdeva	Remuneration	77.53	74.18
Mr. Adhish Swaproop	Remuneration	–	3.10
Mr. Vipul Sharma	Remuneration	8.52	17.74

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(All amounts in ₹ lakhs, unless otherwise stated)

Name of related party	Nature of transaction	For the year ended March 31, 2023	For the year ended March 31, 2022
Mr. Vikas Gupta	Remuneration	16.14	–
Mr. Partha Mukherjee	Remuneration	17.50	39.69
Mr. Rahul Garg	Remuneration	21.08	18.06
Mr. Manoj Kumar Jasoria	Remuneration	–	7.94
Ms. Sneha Khanduja	Remuneration	3.18	–
Mr. Amit Sharma	Remuneration	93.25	81.50
Mr. Sachin Sharma	Remuneration	50.01	34.55
Mr. Prince Kumar	Remuneration	0.56	11.26
Ms. Vaishali Goyal	Remuneration	11.64	–
Mr. Sumit Mukherjee	Remuneration	105.60	96.92
Mr.Arjun Bansal	Remuneration	23.49	16.63
Mr. Jitendra Jain	Remuneration	–	5.26
Mr. Puneet Jolly	Remuneration	15.08	13.00
Mr. Satvinder Singh	Sitting fees	4.25	6.00
Mr. Sundeep Kumar Mehta	Sitting fees	7.45	9.10
Mrs. Sangeeta Khorana	Sitting fees	2.50	3.70
Mr. Goh Colin	Sitting fees	4.55	5.80
Mr. Sanjay Kumar Bhatia	Sitting fees	4.55	6.10
Dr. Jyoti Ahluwalia	Sitting fees	0.70	–
Mr. Anil Kumar Kalra	Sitting fees	5.40	6.50
Satin Neo Dimensions Private Limited	Interest income	27.24	41.92
	Inter corporate loan received back	85.09	70.44
	Purchase of property, plant & equipment (WIP)	–	18.44
Niryas Food Products Private Limited	Rent received	–	1.98

C Key management personnel compensation includes the following expenses:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Short-term employee benefits	738.57	707.43
Post employment benefits	28.64	18.72
Other long-term benefits	17.85	(34.16)
Share based payment	–	(33.09)

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

Name of related party	Nature of balance	As at March 31, 2023	As at March 31, 2022
Mr. Satvinder Singh	Personal guarantees against borrowings^	–	10,000.00
Mr. Harvinder Pal Singh	Personal guarantees against borrowings^	28,131.70	14,961.31
Mr. Harvinder Pal Singh and Mr. Satvinder Singh	Personal guarantees (jointly) against borrowings^	109,885.23	126,236.76
Mr. Goh Colin	Sitting fees	0.58	1.20
Mr. Anil Kumar Kalra	Sitting fees	0.63	–
Mr. Sanjay Kumar Bhatia	Sitting fees	0.63	–
Mr. Satvinder Singh	Sitting fees	0.27	–
Mr. Sundeep Kumar Mehta	Sitting fees	0.27	–
Mrs. Sangeeta Khorana	Sitting fees	0.63	–
Satin Neo Dimensions Private Limited	Inter corporate loan	97.48	182.57
	Interest accrued	1.52	2.79

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

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(All amounts in ₹ lakhs, unless otherwise stated)

Note 49 : Leases disclosure as lessee

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

March 31, 2023

Right-of use assets	No of right-of use assets leased	Range of remaining term	Average remaining lease term	No of leases with extension options	No of leases with purchase options	No of leases with variable payments linked to an index	No of leases with termination options
Office building	450	1 Months-64 Months	8 Months - 18 Months	399	–	–	450
Vehicles	1	48 Months	46 Months	1	1	–	1

March 31, 2022

Right-of use assets	No of right-of use assets leased	Range of remaining term	Average remaining lease term	No of leases with extension options	No of leases with purchase options	No of leases with variable payments linked to an index	No of leases with termination options
Office building	106	1 Months-78 Months	7 Months-46 Months	106	–	–	106

2 Additional information on the Right-Of-Use assets by class of assets is as follows:

March 31, 2023

Right-of use assets	Carrying amount as on April 1, 2022	Additions	Depreciation	Impairment	Carrying amount as on March 31, 2023
Office building	619.65	1,256.53	603.82	45.96	1,226.40
Vehicles	–	80.69	6.14	–	74.55

March 31, 2022

Right-of use assets	Carrying amount as on April 1, 2021	Additions	Depreciation	Impairment	Carrying amount as on March 31, 2022
Office building	785.44	137.59	289.72	13.66	619.65

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

Particulars	As at March 31, 2023	As at March 31, 2022
Current	651.47	250.95
Non-current	758.75	477.71
Total	**1,410.22**	**728.66**

4 At March 31, 2023 the Group had not committed to leases which had not commenced.

5 The undiscounted maturity analysis of lease liabilities is as follows:

March 31, 2023

Particulars	Less than 1 year	1-2 year	2-3 year	More than 3 years
Lease payments	772.71	430.44	230.81	213.25
Finance charges	121.25	61.77	31.45	22.52
Net present values	**651.46**	**368.67**	**199.36**	**190.73**

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(All amounts in ₹ lakhs, unless otherwise stated)

March 31, 2022

Particulars	Less than 1 year	1-2 year	2-3 year	More than 3 years
Lease payments	316.29	238.39	147.08	181.06
Finance charges	65.34	40.01	25.27	23.54
Net present values	**250.95**	**198.38**	**121.81**	**157.52**

6 The Group has elected not to recognise a lease liability for short term leases (leases of expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognised as lease liabilities and are expensed as incurred.

7 The Group had total cash outflows for leases of ₹ 2,198.22 Lakhs in March 31, 2023 (March 31, 2022: ₹ 2,074.13 Lakhs).

The following are the amounts recognised in profit or loss:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation expense of right-of-use assets	609.96	331.62
Interest expense on lease liabilities	141.07	87.66
Expense relating to short-term leases (included in other expenses)	1,480.76	1,661.98
Total amount recognised in profit or loss	**2,231.79**	**2,081.26**

The Group had lease contracts for for office buildings used in its operations. Leases of these buildings generally have lease terms between 1 and 9 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets.

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

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

The Group does not anticipate any material leases to be terminated in next three years or beyond that.

Operating leases

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

Office premises

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Short term leases	794.84	1,923.90

Operating leases as lessor

The Group has given certain premises under operating lease arrangements. The contractual future minimum lease income in respect of these leases are as under:

Particulars	As at March 31, 2023	As at March 31, 2022
Minimum lease receipts:		
- within one year	20.86	12.63
- Later than one year but not later than two years	0.73	–

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Note 50 : 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.

Note 51 : 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 asessing 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 company has filed an appeal with CIT (A) against such demand which is pending for hearing.

Particulars	As at March 31, 2023	As at March 31, 2022
Estimated amount of contract remaining to be executed on capital account and not provided for	–	57.14
The Group has undrawn exposure towards borrowers	4,210.80	1,417.67
Total	**4,210.80**	**1,474.81**

Note 52 : Assets pledged/hypothecated as security

The carrying amounts of assets pledged/hypothecated as security are:

Particulars	As at March 31, 2023	As at March 31, 2022
Loan assets	396,710.26	409,913.97
Vehicles*	156.02	117.08
Land & Buildings	150.36	157.73
Total assets pledged as security	**397,016.64**	**410,188.78**

*This excludes right of use asset of ₹ 74.55 (March 31, 2022 : Nil).

Note 53 : Recent accounting pronouncements:

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 “Presentation of Financial Statements”

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Group has evaluated the amendment and the impact of the amendment is insignificant in the consolidated financial statements.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Ind AS 8 “Accounting Policies, Changes in Accounting Estimates and Errors”

This amendment has introduced a definition of ‘accounting estimates’ and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Group has evaluated the amendment and there is no impact on its consolidated financial statements.

Ind AS 12 “Income Taxes”

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1,2023. The Group has evaluated the amendment and there is no impact on its consolidated financial statement.

Note 54 : Interest in other entities

Subsidiaries

Name of entities	Country of incorporation	Functional currency	Ownership interest held by the Group		Principal activities
			As at March 31, 2023	As at March 31, 2022	
Taraashna Financial Services Limited*	India	INR	–	100.00%	Business correspondent
Satin Housing Finance Limited	India	INR	100.00%	100.00%	Financing
Satin Finserv Limited*	India	INR	100.00%	100.00%	Financing

*The Board of Directors of Taraashna Financial Services Limited (“TFSL”) and Satin Finserv Limited (“SFL”), in their respective meetings held on August 03, 2021, have considered and approved the Scheme of Arrangement for Amalgamation of TFSL (“Transferor Company”) with SFL (“Transferee Company”) and their respective shareholders and creditors (‘Scheme’) under Sections 230 to 232 of the Companies Act, 2013 (“Act”) and other applicable provisions of the Act and rules made thereunder. Consequently, the first motion application was filed before Hon’ble National Company Law Tribunal (“NCLT”), Chandigarh Bench after obtaining requisite NOCs from shareholders and creditors of TFSL and SFL. The said first motion application was reserved and allowed by the said Hon’ble NCLT on hearing dated April 6, 2022. The said order was pronounced on hearing dated May 17, 2022 by Hon’ble NCLT. Both the companies filed joint second motion application with Hon’ble NCLT on May 25, 2022. The said joint second motion application was admitted by Hon’ble NCLT in its hearing dated July 08, 2022 and issued necessary directions of serving notices and newspapers advertisements. Both the companies have served the notices to government authorities and completed publication in requisite newspapers as per order. The Hon’ble NCLT vide its order dated January 31, 2023 has approved the scheme of amalgamation and the necessary form has been filed to the Registrar of Companies on March 1, 2023 which is considered as effective date and accordingly accounting effect as per the scheme has been given in the books of account of SFL.

Due to the said amalgamation, SFL which is registered as a Non-Banking Financial Company (NBFC) is not fulfilling principal business criteria laid down by Reserve Bank of India (RBI). As per the criterias, atleast 50% of total assets of SFL should be financial assets and atleast 50% of the gross income should be from financial activities. SFL meets the first criteria, but does not meets the second criteria as on March 31, 2023. However, RBI vide letter dated July 22, 2022 has granted time till March 31, 2024 for fulfilling the said criteria.

Subsidiary with material non-controlling interests (NCI)

No subsidiary company has non-controlling interests that are material to the group for the year ended March 31, 2023 and March 31, 2022.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Note 55 : Additional information in pursuant to Schedule III of the Companies Act, 2013

Name of the entity in the group	Net assets (total assets minus total liabilities)		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit and loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent Company								
Satin Creditcare Network Limited	117.54%	191,371.68	5491.87%	26,432.92	92.17%	(1,904.81)	–1547.16%	24,528.11
Indian subsidiaries								
Taraashna Financial Services Limited*	0.00%	–	0.00%	–	0.00%	–	0.00%	–
Satin Housing Finance Limited	8.94%	14,556.16	123.07%	592.36	7.44%	(153.66)	–27.67%	438.70
Satin Finserv Limited*	8.46%	13,767.52	125.97%	606.30	0.40%	(8.20)	–37.73%	598.10
Elimination	–34.94%	(56,882.90)	–5640.91%	(27,150.27)	–	–	1712.56%	(27,150.27)
Total	**100.00%**	**162,812.46**	**100.00%**	**481.31**	**100.00%**	**(2,066.67)**	**100.00%**	**(1,585.36)**

Notes to the Consolidated Financial Statements
for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Form AOC - 1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries

Part- A Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹ Lakhs)

S.No.	1	2	3
Name of subsidiary	**Taraashna Financial Services Limited***	**Satin Housing Finance Limited**	**Satin Finserv Limited***
The date since when subsidiary was acquired	September 01, 2016	April 17, 2017	August 10, 2018
Reporting period for the subsidiary concerned, if different from the Parent Company's reporting period :-	NA	NA	NA
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries :-	NA	NA	NA
Share capital	NA	11,340.00	14,051.49
Other equity	NA	3,216.16	(283.97)
Total assets	NA	48,298.83	32,918.85
Total Liabilities	NA	33,742.67	19,151.33
Investments	NA	Nil	Nil
Revenue	NA	6,187.21	10,650.69
Profit /(loss) before taxation	NA	784.18	821.40
Tax expenses	NA	191.82	215.10
Profit /(loss) after taxation	NA	592.36	606.30
Other comprehensive income	NA	(153.66)	(8.20)
Total comprehensive income	NA	438.70	598.10
Proposed dividend	NA	Nil	Nil
Extent of shareholding (in percentage)	NA	100%	100%

i) Names of subsidiaries which are yet to commence operations: N.A.

ii) Names of subsidiaries which have been liquidated or sold during the year - Taraashna Financial Services Limited got merged with Satin Finserv Limited w.e.f. March 1, 2023.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Note 56 : Employee Stock Option Plan / Scheme (ESOP/ ESOS)

Pursuant to the approval accorded by Shareholders of Satin Creditcare Network Limited (Company) at their Annual General Meeting held on July 6, 2017, the Nomination and Remuneration Committee of the Parent Company formulated a new scheme 'Satin Employee Stock Option Scheme 2017' (ESOS 2017) in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (or any amendment thereto or any other provisions as may be applicable). ESOS is applicable to all permanent and full-time employees (as defined in the Plan), excluding Promoters of the Parent Company. The eligibility of employees to receive grants under the Plan has to be decided by the Nomination and Remuneration Committee from time to time at its sole discretion. Vesting of the options and vesting period shall take place in the manner determined by the Nomination and Remuneration Committee at the time of grant. Vesting of options shall be subject to the condition that the Grantee shall be in continuous employment with the Parent Company or its subsidiaries and such other conditions as provided under ESOS 2017. The Exercise Price of each grant is determined by the Nomination and Remuneration Committee at the time of grant.

Presently, stock options have been granted or shares have been issued under the following scheme:

A. Satin Employee Stock Option Scheme 2009 (ESOS 2009)

B. Satin Employee Stock Option Scheme 2017 (ESOS 2017)

a) Employee stock option schemes:

ESOS 2009: Initially 425,000 equity shares of ₹ 10/- each at a premium of ₹ 10/- each were allotted to Satin Employees Welfare Trust on November 27, 2009. (This scheme was terminated vide Shareholders Resolution dated July 6, 2017)

Details of grant and exercise of such options are as follows:

Particulars	Grant – 1 of ESOS 2009			Grant – 2 of ESOS 2009			Grant – 3 of ESOS 2009		
No. of options granted	150,000			98,300			87,900		
Date of grant of options	January 12, 2010			December 2, 2013			December 2, 2016		
No. of employee to whom such options were granted	2			29			36		
Financial year (F.Y.)	F.Y. 2010-11	F.Y. 2011-12	F.Y. 2012-13	F.Y. 2014-15	F.Y. 2015-16	F.Y. 2016-17	F.Y. 2017-18	F.Y. 2018-19	F.Y. 2019-20
No. of employees who have exercised the option	2	2	2	25	23	23	22	18	15
No. of options exercised	50,000	50,000	50,000	25,824	22,633	27,243	21,100	19,300	13,300

Note: There was NIL options vested in F.Y. 2013-14.

Satin ESOP 2010: 100,000 equity shares of ₹ 10/- each at a premium of ₹ 12/- were allotted to Satin Employees Welfare Trust on June 22, 2010 (The scheme was terminated vide Shareholders Resolution dated July 6, 2017 and the outstanding options were transferred to Satin ESOS 2017).

Satin ESOP II 2010: 150,000 equity shares of ₹ 10/- each at a premium of ₹ 15/- were allotted to Satin Employees Welfare Trust on April 21, 2011 (The scheme was terminated vide Shareholders Resolution dated July 6, 2017 and the outstanding options were transferred to Satin ESOS 2017).

ESOS Scheme 2017: All options not exceeding 3,61,400 representing 0.96% of the paid-up Capital of the Parent Company as on March 31, 2017 (or such other adjusted figure for any bonus, stock splits or consolidations or other reorganization of the capital structure of the Parent Company as may be applicable from time to time including the shares lying with the Trust that may remain unutilized pursuant to non-exercisability of options granted under Satin ESOS 2009, 2010 (I) and 2010 (II), to or for the benefit of permanent employees of the Parent Company and its subsidiaries whether working in India or outside India. The said ESOS Scheme, 2017 were approved in twenty seventh Annual General Meeting of the Parent Company held on July 6. 2017.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Details of grant and exercise of such options are as follows:

Particulars	Grant – 1 of ESOS 2017			Grant – 2 of ESOS 2017		
No. of options granted	145,200			226,600		
Date of grant of options	August 14, 2017			May 30, 2018		
No. of employee to whom such options were granted	57			35		
Financial year (F.Y.)	F.Y. 2018-19	F.Y. 2019-20	F.Y. 2020-21	F.Y. 2019-20	F.Y. 2020-21	F.Y. 2021-22
No. of employees who have exercised the option	18	27	Nil	13	Nil	NA
No. of options exercised	12,200	13,500	Nil	20,950	Nil	NA

b) The Parent Company has provided following share based options to its employees:

Particulars	ESO2009	ESOS 2017
Date of grant	January 12, 2010, December 2, 2013 and December 2, 2016	August 14, 2017 and May 30, 2018
Date of board meeting, where ESOP/ESOS were approved	November 27, 2009	May 26, 2017
Date of committee meeting where grant of options were approved	January 12, 2010 November 12, 2013 and November 09, 2016	August 14, 2017 and May 30, 2018
Date of shareholders' approval	June 1, 2009	July 06, 2017
No. of options granted	336,200 out of 425,000	3,71,800
Method of settlement	Equity	Share/Cashless route
Vesting conditions	The actual vesting of options will depend on continuation to hold the services being provided to the Parent Company at the time of exercise of options and such other conditions as mentioned in the ESOS Scheme.	The actual vesting of options will depend on continuation to hold the services being provided to the Parent Company at the time of exercise of options and such other conditions as mentioned in the ESOS Scheme, 2017.
Vesting period	Option will be vested at the end of year 1 – 33.33% end of year 2 – 33.33% end of year 3 – 33.34% end of year Subject to lock in period of one year from the date of transfer of shares and other terms as stipulated in the Scheme and prescribed under the law in force.	Grant 1 of ESOS 2017 Option will be vested at the end of year 1 – 33.33% end of year 2 – 33.33% end of year 3 – 33.34% end of year Grant 2 of ESOS 2017 Option will be vested at the end of year 1 – 50% end of year 2 – 50% end of year
Exercise period	It shall commence from the date of vesting of options and expire not later than 2 months from the vesting date of each grant of options	It shall commence from the date of vesting of options and expire not later than 1 Year from the vesting date of each grant of options

Note: ESOS 2009 scheme was repealed in terms of Resolution passed by the Shareholders at their meeting held on July 6, 2017.

Details of Vesting and Exercise of Options (ESOS 2009):

Vesting Date	Vested options	No of options exercised
January 12, 2011	50,000	50,000
January 12, 2012	50,000	50,000
January 12, 2013	50,000	50,000
December 2, 2014	29,090	25,824
December 2, 2015	29,100	22,633
December 2, 2016	29,110	27,243
December 2, 2017	22,300	21,100
December 2, 2018	19,300	19,300
December 2, 2019	13,300	13,300

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Details of Vesting and Exercise of Options (Grant 1 of ESOS 2017):

Vesting Date	Vested options	No of options exercised
August 14, 2018	21,400	12,200
August 14, 2019	15,800	13,500
August 14, 2020*	11,400	–

* These options are available for exercise till August 13, 2021

Details of Vesting and Exercise of Options (Grant 2 of ESOS 2017):

Vesting Date	Vested options	No of options exercised
May 30 2019	105,050	20,950
May 30 2020	96,850	–

* These options were available for exercise till May 29, 2021

i) The details of ESOS Scheme 2017 are summarized below:

Particulars	As at March 31, 2023		As at March 31, 2022	
	ESOS 2017		ESOS 2017	
	No. of options	Weighted average exercise price	No. of options	Weighted average exercise price
Outstanding options at the beginning of the year	–	–	79,300	At a discount/ premium on fair value
Exercised during the year	–	–	–	160
Number of shares arising as a result of exercise of options	–	–	–	160
Expired/ lapsed during the year under ESOS Scheme, 2017	–	–	79,300	160
Options expired/ lapsed under earlier ESOP Scheme's (adjusted)*	–	–	–	–
Outstanding options at the end of the year	–	–	–	–
Exercisable at the end of the year	–	–	–	–
Weighted average remaining contractual life (in years) of the option exercisable	–	–	–	–
Weighted average fair value of the options exercisable at grant date	Grant -1	–	Grant -1	–
	Grant -2	–	Grant -2	–
Loan repaid by the Trust during the year from exercise price received (amount in Lakhs)	–	–	–	–

* Outstanding Options of previous ESOS schemes has been transferred to new ESOS scheme 2017

ii) Weighted average exercise price (fair market value) of share during the year ended March 31, 2023: NA (March 31, 2022: NA).

The detail of exercise price for stock option at the end of the financial year 2022-2023 is:

Series	Range of exercise price	No. of options outstanding for Exercise	Weighted average remaining contractual life of options (in years)	Weighted average exercise price	Remarks
Grant-3 ESOS 2009	20/- per option	–	–	20	Scheme Repealed
Grant-1 ESOS Scheme 2017	160/- per option	–	0.00	160	New Scheme
Grant-2 ESOS Scheme 2017	160/- per option	–	0.00	160	New Scheme

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

iii) The fair value of the options granted is determined on the date of the grant using the “Black-Scholes option pricing model” with the following assumptions, as certified by an independent valuer:

Particulars	Grant 3 ESOS 2009	Grant 1 ESOS 2017			Grant 2 ESOS 2017	
	3rd tranche of vesting	1st tranche of vesting	2nd tranche of vesting	3rd tranche of vesting	1st tranche of vesting	2nd tranche of vesting
Date of grant	December 2, 2016	August 14, 2017	August 14, 2017	August 14, 2017	May 30, 2018	May 30, 2018
Fair market value of option on the date of grant	438.40	267.38	267.38	267.38	386.65	386.65
Exercise price	20.00	160.00	160.00	160.00	160.00	160.00
Expected volatility (%)	60.39%	55.86%	62.90%	62.90%	45.31%	53.94%
Expected option life (weighted average)	3.08	1.50	2.50	3.50	1.50	2.50
Expected dividends yield	–	–	–	–	–	–
Risk free interest rate (%)	6.03%	6.35%	6.40%	6.45%	7.53%	7.66%

The expected volatility was determined based on historical volatility data of the Parent Company’s shares listed on the National Stock Exchange of India Limited.

iv) The Parent Company has recognized share based payment expense of ₹ NIL (March 31, 2022: Nil) during the year as proportionate cost.

v) The Parent Company has ₹ 169.69 Lakhs (March 31, 2022: ₹ 169.69 Lakhs) recoverable from Satin Employees Welfare Trust pursuant to ESOP schemes.

Note 57 :

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

(i) All the borrowings of the group are used for the specific purpose for which it was taken.

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

(iii) No company in the group is a wilful defaulter as declared by any bank or financial Institution or any other lender.

(iv) The group reviews transactions on an ongoing basis to identify if there are any transactions with struck off companies. To the extent information is available on struck off companies, there are no transactions with struck off companies except as mentioned below.

Name of the company	Nature of transaction	Amount of transaction	Balance outstanding	Relationship
Mekhal Hospitality Services Pvt. Ltd.	Tour & Travel Expense	0.03	Nil	None
KYR Broadband Service Pvt. Ltd.	Internet charges	0.09	Nil	None

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

(vi) With respect to Companies in the Group, there are no transactions which are not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Note 58 :

Previous year figures have been regrouped/rearranged, wherever considered necessary, to conform to the classification/disclosure adopted in the current year.

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

Naveen Aggarwal
Partner
Membership Number: 094380

Place: Gurugram
Date: April 29, 2023

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

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

Satvinder Singh
(Director)
DIN: 00332521

Sanjay Kumar Bhatia
(Chairman Audit Committee cum Director)
DIN: 07033027

Rakesh Sachdeva
(Chief Financial Officer)

Vikas Gupta
(Company Secretary & Compliance Officer)
Membership Number: A24281

Place: Gurugram
Date: April 29, 2023

NOTICE

SATIN CREDITCARE NETWORK LIMITED

CIN: L65991DL1990PLC041796
Regd. Office: 5th Floor, Kundan Bhawan, Azadpur Commercial Complex, Azadpur, Delhi-110033
Corporate Office: Plot No. 492, Udyog Vihar, Phase – III,
Gurugram – 122016, Haryana, India
Phone: 0124-4715400; Website: www.satincreditcare.com
Email Id: secretarial@satincreditcare.com

NOTICE is hereby given that the 33rd (Thirty-Third) Annual General Meeting ("**AGM**") of the Members of **Satin Creditcare Network Limited** ("the Company") will be held on Wednesday, August 9, 2023 at 11:00 AM (IST) through Video Conferencing ("**VC**") / Other Audio Visual Means ("**OAVM**"), to transact the following businesses:

ORDINARY BUSINESS:

1. **Adoption of Financial Statements and the Reports of Board of Directors and Auditors**

   To receive, consider and adopt the Audited Standalone Financial Statements and Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2023 and the Reports of the Board of Directors of the Company and the Auditors thereon.

2. **Re-Appointment of a Director**

   To appoint a Director in place of **Mr. Satvinder Singh (DIN: 00332521)**, who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and, being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. **Issuance of Non-Convertible Debentures (NCDs), in one or more series/tranches on private placement basis**

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

   "**RESOLVED THAT** in supersession of the earlier special resolution passed at the 32nd Annual General Meeting of the Members' of the Company held on August 10, 2022 and pursuant to the provisions of Sections 23, 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 ("**the Act**") read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014, as amended, including any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being in force, the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the SEBI circular bearing reference number SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 on "Operational Circular for issue and listing of Non-Convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper", each as amended and the enabling provision of the listing agreements entered into with the stock exchanges where the shares or other securities of the Company are listed, the Reserve Bank of India ("**RBI**"), Master Directions on Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 and all other rules, regulations, guidelines, notifications, clarifications and circulars, if any, issued by any statutory/regulatory authority, as may be applicable, the Memorandum and Articles of Association of the Company and subject to such consents, approvals, permissions and sanctions of the concerned statutory and regulatory authorities, if any and to the extent necessary, the consent of the Members of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as the "Board" which term shall include any committee constituted / may be constituted by the Board to exercise its powers including the powers conferred under this resolution) to create, offer, invite for subscription, issue and allot secured/unsecured/subordinated/senior, rated/unrated, listed/unlisted, perpetual or non-perpetual, redeemable (including market linked debentures), cumulative or non-cumulative non-convertible debentures ("**NCDs**") by way of private placement, in 1 (one) or more series or tranches, from time to time, to any category of investors eligible to invest in the NCDs and the aggregate amount to be raised through the issuance of NCDs shall not collectively exceed an overall limit of upto INR 5,000,00,00,000/- (Indian Rupees Five Thousand Crore only) ("Limit") on such terms and conditions including the price, coupon, premium/discount, tenor etc., and at such times whether at par/premium/discount, as may be determined by the Board to such person or persons including one or more company(ies), bodies corporate, foreign portfolio investor(s), overseas fund(s), statutory corporation(s), commercial bank(s), domestic and multilateral lending agency(ies), financial institution(s), insurance company(ies), mutual fund(s), alternative investment fund(s), pension/provident fund(s), family office(s), and individual(s), as the case may be or such other person/persons/investors as the Board may so decide/approve in its absolute discretion, for a period of 1 (one) year or for such other period as permissible under applicable laws, from the date of approval of this resolution by the Members of the Company and the Limit shall be subject to the overall borrowing limits of the Company, as approved by the Members of the Company from time to time under Section 180(1)(c) of the Act.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to determine the terms of issue of NCDs including but not limited to determining size, issue price, timing, tenure, interest rate, listing, if required, creation of security, utilization of the issue proceeds, appointment of debenture trustee(s), registrar and transfer agent, legal counsel and other agency(ies) and to do all necessary acts and things and to execute all deeds, documents, instruments, papers and writings as may be required and to settle all questions, difficulties or doubts that may arise in this regard in its sole and absolute discretion deem fit.

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

4. Amendment of Articles of Association of the Company

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

"**RESOLVED THAT** pursuant to the applicable provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being in force), the Reserve Bank of India ("**RBI**") Master Directions on Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, provisions of Memorandum of Association and the Articles of Association of the Company and such other statutes, laws, acts, rules, regulations, guidelines, circulars, directions, clarifications and notifications, applicable from time to time, the consent of the members of the Company be and is hereby accorded for the adoption of new set of Articles of Association of the Company, as the Articles of Association in place and in exclusion and substitution of the entire existing Articles of Association of the Company.

RESOLVED FURTHER THAT Chairman cum Managing Director or Chief Financial Officer or Company Secretary & Compliance Officer of the Company, be and are hereby severally authorised to intimate the Registrar of Companies, NCT of Delhi and Haryana about such alteration in the Articles of Association of the Company and to do all such acts, deeds, matters and things, to take necessary steps in the matter as the Board may in its absolute discretion deem necessary, desirable or expedient to give effect to the aforesaid resolution, and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the member or otherwise to the end and intent that the member shall be deemed to have given their approval thereto expressly by the authority of this resolution."

By Order of the Board of Directors
For **Satin Creditcare Network Limited**

Sd/-
(Vikas Gupta)
Company Secretary & Compliance Officer
M.No.-A24281

Place: Gurugram
Date: July 10, 2023

NOTES

1. An explanatory statement as required under Section 102 of the Companies Act, 2013 (“**the Act**”) in respect of the special business specified above is annexed hereto.

   Information pursuant to provisions of Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI Listing Regulations**”) for Item No. 2, is annexed as **Annexure-1** to this notice.

2. The Ministry of Corporate Affairs (“**MCA**”) has vide its General Circular No. 10/2022 dated December 28, 2022 read with General Circular Nos. 20/2020, 02/2021, 19/2021, 21/2021 and 2/2022 dated May 5, 2020, January 13, 2021, December 8, 2021, December 14, 2021 and May 5, 2022 respectively, (collectively referred to as “**MCA Circulars**”) permitted the holding of the Annual General Meeting (“**AGM**”) through Video Conferencing (“**VC**”) / Other Audio Visual Means (“**OAVM**”), without the physical presence of the Members at a common venue. In compliance with the MCA Circulars, the AGM of the Members of the Company is being held through VC / OAVM. The registered office of the Company shall be deemed to be the venue for the AGM. The procedure for participating in the meeting through VC / OAVM is explained at Note No. 18 below.

3. Pursuant to the provisions of the Act, Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars, through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form, Attendance Slip and route map of the AGM are not annexed to this AGM Notice.

4. Institutional/Corporate shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of their respective Board or governing body Resolution / Authorization etc., authorizing their representative to attend the AGM through VC / OAVM on their behalf and to vote through remote e-Voting or e-Voting during the AGM. The said Resolution / Authorization shall be sent to the Scrutinizer by e-mail on its registered e-mail address rajivbhatia251@gmail.com with a copy marked to helpdesk.evoting@cdslindia.com. Institutional/ Corporate shareholders (i.e. other than individuals, HUF, NRI, etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on “Upload Board Resolution/Authority Letter” displayed under “e-Voting” tab in their login.

5. The Company has fixed Wednesday, August 2, 2023 as the ‘Cut-off date’ for determining entitlement of Members who will be eligible to attend and vote at the Meeting.

6. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile number, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc. :

   a) **For shares held in electronic form:** to their Depository Participants (“**DPs**”);

   b) **For shares held in physical form:** to the Company / Company’s Registrar and Transfer Agent, Link Intime India Private Limited (“**RTA**”) in prescribed Form ISR-1 and other forms pursuant to Securities and Exchange Board of India (“**SEBI**”) Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023 read with Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021. The Company has sent letters to the members about which folios are incomplete for furnishing the required details under aforesaid SEBI Circular. Members may also refer to Frequently Asked Questions (“FAQs”) under “Updation of KYC Details & Compulsory Issue of Shares in Dematerialized Form” under Investor FAQ on Company’s website https://satincreditcare.com/investor-relations-satin-creditcare/#Other.

7. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available under “Updation of KYC Details & Compulsory Issue of Shares in Dematerialized Form” under Investor FAQ on Company’s website https://satincreditcare.com/investor-relations-satin-creditcare/#Other. It may be noted that any service request can be processed only after the folio is KYC Compliant.

8. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form w.e.f. April 1, 2019, further pursuant to SEBI Notification dated January 24, 2022, transmission or transposition of securities shall be effected only in dematerialised form. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or RTA for assistance in this regard. Members may also refer

"How to Dematerialised Shares" under Investor FAQ on Company's website https://satincreditcare.com/investor-relations-satin-creditcare/#Other.

9. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or RTA, the details of such folios together with the share certificates along with the requisite KYC Documents for consolidating their holdings in one folio. Requests for consolidation of share certificates shall be processed in dematerialized form.

10. As per the provisions of Section 72 of the Act and SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/she may submit the same in Form ISR-3 or SH-14 as the case may be. The said forms can be downloaded from the Company's website https://satincreditcare.com/investor-relations-satin-creditcare/#Other. Members are requested to submit the said details to their DPs in case the shares are held by them in dematerialized form and to RTA in case the shares are held in physical form.

11. The Notice of the AGM along with Annual Report 2022-23 is being sent to all the Members of the Company, whose names appear on the Register of Members/ record(s) of DPs as on Friday, July 7, 2023. A person who is not a member as on cut-off date should treat this Notice for information purpose only.

12. **ELECTRONIC DISPATCH OF ANNUAL REPORT AND PROCESS FOR REGISTRATION OF E-MAIL ADDRESSES:**

    In accordance with, MCA Circulars and SEBI Circulars No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 and SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023 for "Relaxation from Compliance with Certain Provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015" in relation to owing the difficulties involved in dispatching of physical copies of the financial statements (including Directors' Report, Auditor's Report or other Statutory Reports). Accordingly, such statements including the Notice of AGM are being sent in electronic mode to Members whose e-mail addresses are registered with the Company or the DP(s), unless any Member has requested for a physical copy of the same.

    Members may note that the Notice and Annual Report 2022-23 will also be available on the Company's website www.satincreditcare.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and on the website of Central Depository Services (India) Limited ("CDSL") https://www.evotingindia.com.

13. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the Directors are interested under Section 189 of the Act, certificate from the Secretarial Auditor of the Company certifying that the ESOP Schemes are being implemented in accordance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, and all the documents referred to in the accompanying Notice and Explanatory Statements, shall be available for inspection at the Registered Office and Corporate Office of the Company on all working days between 11:00 a.m. to 1:00 p.m. from the date of circulation of this Notice up to the date of this AGM.

14. Members holding Equity Shares as on cut-off date shall have 1 (one) vote per share as shown against their holding.

15. We urge Members to support our commitment to environmental protection by choosing to receive their shareholding communication through email. You can do this by updating your email addresses with your DPs.

16. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned DPs and holdings should be verified.

17. The Board of Directors of the Company has appointed Mr. Rajeev Bhatia, a Practicing Chartered Accountant (ICAI Membership No. 089018) of M/s Rajeev Bhatia & Associates, as Scrutinizer to scrutinize the voting at AGM and remote e-voting process in a fair and transparent manner. Mr. Bhatia has communicated his willingness to be appointed and will be available for same purpose.

18. **CDSL e-Voting System – For Remote e-voting and e-voting during AGM**

    1. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI Listing Regulations (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

    2. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made

available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis

THE INSTRUCTIONS OF MEMBERS FOR REMOTE E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual members holding shares in demat mode.

Step 2: Access through CDSL e-voting system in case of members holding shares in physical mode and non-individual members in demat mode.

(i) The voting period begins on **Sunday, August 6, 2023 (10:00 A.M. IST)** and ends on **Tuesday, August 8, 2023 (5:00 P.M. IST)**. During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Wednesday, August 2, 2023 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Members who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

(iii) Pursuant to **SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242** dated 09.12.2020, under Regulation 44 of SEBI Listing Regulations, listed entities are required to provide remote e-voting facility to its members, in respect of all members resolutions. However, it has been observed that the participation by the public non-institutional members/retail members is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the members.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders**, **by way of a single login credential, through their demat accounts/websites of Depositories/Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

Step 1: Access through Depositories CDSL/NSDL e-voting system in case of individual members holding shares in demat mode.

(iv) In terms of **SEBI circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242** dated December 9, 2020 on e-voting facility provided by Listed Companies, Individual members holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Members are advised to update their mobile number and email Id in their demat accounts in order to access e-voting facility.

Pursuant to aforesaid SEBI Circular, Login method for e-voting and joining virtual meetings **for Individual members holding securities in Demat mode CDSL/NSDL** is given below:

Type of members	Login Method
Individual Members holding securities in Demat mode with **CDSL**	1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-voting page without any further authentication. The users to login to Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab. 2) After successful login the Easi / Easiest, user will be able to see the e-voting option for eligible companies where the e-voting is in progress as per the information provided by Company. On clicking the evoting option, the user will be able to see e-voting page of the e-voting service provider for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-voting Service Providers, so that the user can visit the e-voting service providers' website directly. 3) If the user is not registered for Easi / Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4) Alternatively, the user can directly access e-voting page by providing Demat Account Number and PAN from a e-voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-voting option where the evoting is in progress and also able to directly access the system of all e-voting Service Providers.

Type of members	Login Method
Individual Members holding securities in demat mode with **NSDL**	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-voting services. Click on "Access to e-voting" under e-voting services and you will be able to see e-voting page. Click on Company name or e-voting service provider name and you will be re-directed to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on Company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.
IIndividual Members (holding securities in demat mode) login through their **Depository Participants (DP)**	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-voting facility. After Successful login, you will be able to see e-voting option. Once you click on e-voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting feature. Click on any name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Members holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Members holding securities in Demat mode with **CDSL**	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33
Individual Members holding securities in Demat mode with **NSDL**	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 022-4886 7000 and 022-2499 7000

Step 2: Access through CDSL e-voting system in case of members holding shares in physical mode and non-individual members in demat mode.

(v) Login method for e-voting and joining virtual meetings for **Physical members and members other than individual holding in Demat form**.

1) The members should log on to the e-voting website www.evotingindia.com.

2) Click on "Shareholders" module.

3) Now enter your User ID

   a. For CDSL: 16 digits beneficiary ID,

   b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

   c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

4) Next enter the Image Verification as displayed and Click on Login.

5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any Company, then your existing password is to be used.

6) If you are a first-time user follow the steps given below:

For Physical members and other than individual members holding shares in Demat.	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat members as well as physical members) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/ RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. • If both the details are not recorded with the depository or Company, please enter the member id/folio number in the Dividend Bank details field.

(vi) After entering these details appropriately, click on "SUBMIT" tab.

(vii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(viii) For members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(ix) Click on the EVSN for the relevant "**Satin Creditcare Network Limited"** on which you choose to vote.

(x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.

(xvii) Additional Facility for Non – Individual Members and Custodians –For Remote Voting only.

- Non-Individual members (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

- The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.

- It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- Alternatively Non Individual members are required to send the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; rajivbhatia251@gmail.com and secretarial@satincreditcare.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR MEMBERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-voting on the day of the AGM is same as the instructions mentioned above for e-voting.

2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.

3. Members who have voted through Remote e-voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.

4. Members are encouraged to join the Meeting through Laptops / IPads for better experience.

5. Further members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

7. Members who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at secretarial@satincreditcare.com. The members who do not wish to speak during the AGM but have queries may send their queries in advance 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at secretarial@satincreditcare.com. These queries will be replied by the Company suitably by an email.

8. Those members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

9. Only those members, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-voting and otherwise are not barred from doing so, shall be eligible to vote through e-voting system available during the AGM.

10. If any Vote cast by the members through the e-voting available during the AGM and if the same members have not participated in the meeting through VC/OAVM facility, then the votes cast by such members may be considered invalid as the facility of e-voting during the meeting is available only to the members attending the meeting.

PROCESS FOR THOSE MEMBERS WHOSE EMAIL/MOBILE NUMBER ARE NOT REGISTERED WITH THE COMPANY/ DEPOSITORIES

1. **For Physical members** - please provide necessary details like Folio No., Name of member, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to secretarial@satincreditcare.com/ swapann@linkintime.co.in.

2. **For Demat members** – please update your email id & mobile no. with your respective DP

3. **For Individual Demat members** – please update your email id & mobile no. with your respective DP which is mandatory while e-voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-voting from the CDSL e-voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call at toll free no. 1800 22 55 33.

The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.satincreditcare.com and on the website of CDSL www.evotingindia.com after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be forwarded to the Stock Exchanges.

By Order of the Board of Directors
For **Satin Creditcare Network Limited**

Sd/-
(**Vikas Gupta**)
Company Secretary & Compliance Officer
M.No.-A24281

Place: Gurugram
Dated: July 10, 2023

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

Item No. 3

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

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

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

Particulars of the offer including date of passing Board Resolution	The third proviso to the Rule 14(1) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 ("**Prospectus and Allotment Rules**"), prescribes that where the proposed amount to be raised through offer or invitation of NCDs (as defined above) exceeds the limit prescribed under Section 180(1)(c) of the Companies Act, 2013, it shall be sufficient if the company passes a previous special resolution only once in a year for all the offers or invitations for such NCDs during such year. In view of this, pursuant to this resolution under Section 42 of the Companies Act, 2013, the specific terms of each offer/issue of NCDs [whether secured/unsecured/subordinated/ senior, rated/unrated, listed/unlisted, perpetual or non-perpetual, redeemable (including market linked debentures) NCDs] shall be decided from time to time, within a period of 1 (one) year from the date of the aforementioned resolution. In line with Rule 14(1) of the Prospectus and Allotment Rules, the date of the relevant resolution of the Board of Directors of the Company ("**Board**") shall be mentioned/disclosed in the private placement offer cum application letter for each offer/issue of the NCDs. The particulars of each offer shall be determined by the Board (including any committee duly authorized by the Board), from time to time.
Kind of securities offered and the price at which the security is being offered	Non-convertible debt instruments/NCDs. The non-convertible debt instruments/NCDs will be offered/issued either at par or at premium or at a discount to face value, which will be decided by the Board (including any committee duly authorized by the Board) for each specific issue, on the basis of the interest rate/effective yield determined, based on market conditions prevailing at the time of the respective issue.
Basis or justification for the price (including premium, if any) at which the offer or invitation is being made	Not applicable, as the securities proposed to be issued (in a single issue or multiple issues/ tranches) are non-convertible debt instruments/NCDs which will be issued either at par or at premium or at a discount to face value in accordance with terms to be decided by the Board (including any committee duly authorized by the Board), in discussions with the relevant investor(s).
Name and address of valuer who performed valuation	Not applicable as the securities proposed to be issued (in a single issue or multiple issues/tranches) are non-convertible debt instruments/NCDs.
Amount which the Company intends to raise by way of securities	The specific terms of each offer/issue of NCDs shall be decided from time to time, for a period of 1 (one) year from the date of the aforementioned resolution, provided that the amounts of all such NCDs at any time issued during such period of 1 (one) year from the date of passing of the aforementioned special resolution shall not exceed in the aggregate, the limit specified in the resolution under Section 42 of the Companies Act, 2013 i.e. upto INR 5,000 Crore (Indian Rupees Five Thousand Crore only) and shall be subject to the overall borrowing limits of the Company as approved by the members of the Company from time to time under Section 180(1)(c) of the Companies Act, 2013.

Material terms of raising of securities, proposed time schedule, purposes or objects of offer, contribution being made by the promoters or directors either as part of the offer or separately in furtherance of objects; principle terms of assets charged as securities	The material/specific terms of each offer/issue of NCDs and the other information being sought herein shall be decided by the Board (including any committee duly authorized by the Board) from time to time within the period of 1 (one) year from the date of the aforementioned resolution, in discussions with the respective investor(s). These disclosures will be specifically made in the respective transaction documents executed in respect of each offer/issue.

Accordingly, consent of the Members of the Company is sought in connection with the aforesaid issue of NCDs and they are requested to authorize the Board to issue such NCDs for a period of 1 (one) year on private placement basis up to INR 5,000 Crore (Indian Rupees Five Thousand Crore only) as stipulated above, in 1 (one) or more series/tranches on private placement basis within subject to the overall borrowing limits of the Company, the overall borrowing limits of the Company, as approved by the members of the Company from time to time under Section 180(1)(c) of the Companies Act, 2013.

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

The Board recommends the Special Resolution set out at Item No. 3 for the approval of Members.

Item No. 4

The Companies Act, 2013 ("**Act**") has been amended frequently, similarly, securities laws including Securities and Exchange Board of India Act, 1992 and rules and regulations framed under the SEBI Act ("**Securities Laws**") have been changed by way of numerous circulars and notifications issued by the Securities and Exchange Board of India ("**SEBI**") or Central Government in this behalf.

Some of the regulations in the existing Articles of Association of the Company ("**Articles**") are no longer consistent with the amendments made in the Act and Securities Laws. Furthermore, certain members of the Company who were associated with the Company and were having certain rights as provided in the Articles are no longer associated with the Company and need to incorporate the clause of appointment of Nominee Director nominated by Debenture Trustee in consonance with the amendments made in the Securities Laws. Given this position, it is considered expedient by the Board of Directors of the Company that certain clauses of the existing Articles be amended/modified and certain new regulations in the Articles be inserted or replaced in place of existing regulations of the Articles to align the same with the prevailing provisions of the Act and the Securities Laws referred hereinabove.

Since the changes required, as a result of the above, were numerous, it was considered expedient to replace wholly the existing Articles by a new set of Articles in substitution of the existing Articles.

In terms of the provisions of Section 14 of the Act read with the relevant rules made thereunder, a Company may, by special resolution can alter its Articles of Association.

The Board at its meeting held on July 10, 2023 has approved the alteration of the Articles of Association of the Company and has recommended passing of the Special Resolution for seeking Member's approval for the same. In light of above, you are requested to accord your approval to the Special Resolution as set out at Item No.4 of the accompanying Notice.

Copy of the amended Articles of Association of the Company shall be made available for inspection at the registered office/ corporate office of the Company between 11:00 A.M. to 1:00 P.M. on all working days up to the date of this AGM. Such documents shall also be available for inspection at the venue till the conclusion of this AGM.

None of the Directors and Key Managerial Personnel of the Company and their relatives has any concern or interest, financial or otherwise, in the proposed resolution.

The Board recommends the Special Resolution set out at Item No. 4 for the approval of Members

By Order of the Board of Directors
For **Satin Creditcare Network Limited**

Sd/-
(**Vikas Gupta**)
Company Secretary & Compliance Officer
M.No.-A24281

Place: Gurugram
Dated: July 10, 2023

ANNEXURE-1 TO THE NOTICE

(Director seeking re-appointment at AGM pursuant to Regulation 36(3) of the SEBI Listing Regulations forming part of this Notice)

Name of the Director	**Mr. Satvinder Singh**
DIN	00332521
Date of first Appointment on the Board of the Company	October 16, 1990
Age	57 Years
Qualification	Mr. Singh has a post graduate diploma in Business Management from Institute of Management Technology, Ghaziabad
Brief Profile/ Nature of Expertise	Mr. Singh hold extensive consumer marketing and finance experience and has developed new methods of credit appraisal and marketing for Company as Company Director. Associated with the Company since its inception in 1990, Mr. Singh also acted as Managing Director between September 1995 and February 2011.
Terms and conditions of re-appointment	As per the resolution at item no. 2 of the Notice convening this meeting.
Remuneration last drawn	Nil
Names of other Companies in which the person also holds the directorship as at March 31, 2023	I. Taco Consultants Private Limited II. Satin Neo Dimensions Private Limited III. Wisteria Holdings & Investments Private Limited
Names of Companies in which the person also holds the membership of Committees of the Board as at March 31, 2023	Membership: 1. Satin Creditcare Network Limited – Audit Committee 2. Satin Creditcare Network Limited – Risk Committee 3. Satin Creditcare Network Limited – Working Committee
Shareholding in the Company	3,85,703 Equity Shares
Relationship between directors inter-se	Mr. Satvinder Singh is brother of Mr. Harvinder Pal Singh, Promoter, Chairman cum Managing Director of the Company and other than him he is not related with any Director or Key Managerial Personnel of the Company.
Number of Meetings of the Board attended during the Financial Year – 2022-23	7 out of 7 Meetings.

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communications@satincreditcare.com