Rajeev Bhatia & Associates
Chartered Accountants

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

Independent Auditor's Report

To the Members of Satin Finserv Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Satin Finserv Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement, the Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs (financial position) of the Company as at March 31, 2021, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Emphasis of Matters

We draw attention to Note No 39 to the financial statements which explains that, the extent to which COVID-19 pandemic will continue to impact, the Company's operations and financial position and performance are dependent on future developments, which are still highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by the Company.

Our opinion is not modified in respect of this matter.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

(a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Report on Other Legal and Regulatory Requirements

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

As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

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

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

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

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

(e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act;

(f) we have also audited the internal financial controls over financial reporting of the Company as on March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated May 15, 2021 as per Annexure B expressed unmodified opinion; and

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

(i) the Company did not have any pending litigations which impacted its financial position as at March 31, 2021;

(ii) the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at March 31, 2021;

(iii) there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2021.

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

BHATIA RAJEEV Digitally signed by BHATIA RAJEEV Date: 2021.05.15 15:06:23 +05'30'

Rajeev Bhatia
Partner
Membership No.: 089018
UDIN - 21089018AAAABP1536

Place: Delhi
Date: May 15, 2021

SATIN FINSERV LIMITED

Balance Sheet as at March 31, 2021

(All amounts in Lakhs, unless otherwise stated)

	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
Financial assets			
Cash and cash equivalents	4	830.86	1,807.07
Loans	5	12,860.83	10,940.40
Other financial assets	6	86.94	17.05
		13,778.63	**12,764.52**
Non-financial assets			
Current tax assets (net)	7	1.16	4.19
Deferred tax assets (net)	8	63.97	45.88
Property, plant and equipment	9	84.37	34.80
Intangible assets	10	7.35	8.99
Other non-financial assets	11	198.51	150.74
		355.36	**244.60**
TOTAL ASSETS		**14,133.99**	**13,009.12**
LIABILITIES AND EQUITY			
Financial liabilities			
Payables			
Other payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	12	44.28	29.61
Debt securities	13	550.16	-
Borrowings (other than debt securities)	14	2,673.14	2,472.24
Other financial liabilities	15	139.96	282.80
		3,407.54	**2,784.65**
Non-financial Liabilities			
Provisions	16	50.13	27.66
Other non-financial liabilities	17	30.18	30.37
		80.31	**58.03**
Equity			
Equity share capital	18	10,250.00	10,250.00
Other equity	19	396.14	(83.56)
		10,646.14	**10,166.44**
TOTAL EQUITY AND LIABILITIES		**14,133.99**	**13,009.12**

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

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

BHATIA RAJEEV Digitally signed by BHATIA RAJEEV Date: 2021.05.15 15:08:33 +05'30'

Rajeev Bhatia
Partner
M No. 089018

Place : Delhi
Dated: May 15, 2021

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

SUMIT MUKHERJEE Digitally signed by SUMIT MUKHERJEE Date: 2021.05.15 13:32:51 +05'30'

Sumit Mukherjee
DIN: 08369056
WTD & CEO
Place : Mumbai

HARVINDER PAL SINGH

Harvinder Pal Singh
DIN: 00333754
Director
Place : Gurgaon

JITENDRA JAIN Digitally signed by JITENDRA JAIN Date: 2021.05.15 13:02:45 +05'30'

Jitendra Jain
Chief Financial Officer
Place : Gurgaon

PUNEET JOLLY

Puneet Jolly
Mem No: 43608
Company Secretary
Place : Delhi

Dated: May 15, 2021

SATIN FINSERV LIMITED
Statement of Profit and Loss for the year ended March 31, 2021
(All amounts in Lakhs, unless otherwise stated)

	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
I. Revenue from operations			
Interest income	20	2,393.19	1,288.95
Fees and commission income	21	30.48	70.44
Net gain on fair value changes	22	-	24.17
Total Revenue from operations		**2,423.67**	**1,383.56**
Other Income	23	57.21	18.28
Total Income		**2,480.88**	**1,401.84**
II. Expenses			
Finance costs	24	438.89	176.27
Impairment on financial instruments	25	333.38	146.14
Employee benefit expenses	26	714.39	666.70
Depreciation and amortization expense	27	24.73	11.45
Other expenses	28	326.92	313.02
Total		**1,838.31**	**1,313.58**
Profit / (loss) before exceptional items and tax		**642.57**	**88.26**
Exceptional items		-	-
Profit / (loss) before tax		**642.57**	**88.26**
Tax expense:			
Less: - Current tax		183.47	47.24
Add /(Less) : - Deferred tax charge		18.72	23.70
Profit / (loss) after tax		**477.82**	**64.72**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans		2.50	-
Income tax relating to above items		(0.63)	-
Other comprehensive income		**1.87**	**-**
Total comprehensive income		**479.69**	**64.72**
Earnings per equity share	29		
Basic (₹)		0.47	0.10
Diluted (₹)		0.47	0.10

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

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

BHATIA RAJEEV Digitally signed by BHATIA RAJEEV Date: 2021.05.15 15:09:36 +05'30'

Rajeev Bhatia
Partner
M No. 089018

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

SUMIT MUKHERJEE Digitally signed by SUMIT MUKHERJEE Date: 2021.05.15 13:33:42 +05'30'

Sumit Mukherjee
DIN: 08369056
WTD & CEO
Place : Mumbai

HARVINDER PAL SINGH

Harvinder Pal Singh
DIN: 00333754
Director
Place : Gurgaon

JITENDRA JAIN Digitally signed by JITENDRA JAIN Date: 2021.05.15 13:03:38 +05'30'

Jitendra Jain
Chief Financial Officer
Place : Gurgaon

PUNEET JOLLY Digitally signed by PUNEET JOLLY Date: 2021.05.15 13:37:00 +05'30'

Puneet Jolly
Mem No: 43608
Company Secretary
Place : Delhi

Place : Delhi
Dated: May 15, 2021

Dated: May 15, 2021

SATIN FINSERV LIMITED

Cash flow statement for the year ended March 31, 2021

(All amounts in Lakhs, unless otherwise stated)

	For the year ended March 31, 2021	For the year ended March 31, 2020
Cash flow from operating activities		
Profit / (loss) before tax	**642.57**	**88.26**
Adjustments for:		
Provision for expected credit losses	87.39	146.14
Provision for employee benefits	22.47	25.72
Depreciation and amortisation expense	10.33	5.56
Depreciation / disposal of ROU assets	19.48	5.89
Interest expense on lease rental assets	5.41	1.86
Re-measurement gains on defined benefit plans	-	-
Effective interest rate adjustment for financial instruments	6.28	2.76
Operating profit before working capital changes	**793.93**	**276.19**
Movements in working capital :		
Increase / (Decrease) in other liabilities and provisions	(125.86)	218.78
Decrease in term deposits	-	207.34
Increase in financial assets	(2,083.97)	(9,951.20)
(Increase) / Decrease in other assets	(47.77)	(167.64)
Cash used in operations	**(1,463.67)**	**(9,416.53)**
Income taxes paid (net)	(180.44)	(50.63)
Net cash used in operating activities (A)	**(1,644.11)**	**(9,467.16)**
Cash flows from investing activities		
Purchase of property, plant and equipment	(9.43)	(19.23)
Purchase of intangible assets	(0.16)	(9.70)
Net cash used in investing activities (B)	**(9.59)**	**(28.93)**
Cash flows from financing activities		
Proceeds from issue of equity shares	-	8,000.00
Proceeds from borrowings	1,833.40	6,900.15
Repayment of borrowings	(1,155.91)	(4,502.48)
Paid towards lease liability	-	(6.36)
Expenses on a/c of issue of shares	-	(85.10)
Net cash from financing activities (C)	**677.49**	**10,306.21**
Net increase /(decrease) in cash and cash equivalents (A + B + C)	**(976.21)**	**810.12**
Cash and cash equivalents at the beginning of the year	1,807.07	996.95
Cash and cash equivalents at the end of the year	**830.86**	**1,807.07**
Components of cash and cash equivalents as at the end of the year		
Cash in hand	0.50	1.78
Balance with banks - on current account	830.36	304.19
Deposits with original maturity of less than or equal to 3 months	-	1,501.10
Total cash and cash equivalents	**830.86**	**1,807.07**

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

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

BHATIA RAJEEV Digitally signed by BHATIA RAJEEV Date: 2021.05.15 15:10:32 +05'30'

Rajeev Bhatia
Partner
M No. 089018

Place : Delhi
Dated: May 15, 2021

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

SUMIT MUKHERJEE Digitally signed by SUMIT MUKHERJEE Date: 2021.05.15 13:34:11 +05'30'

Sumit Mukherjee
DIN: 08369056
WTD & CEO
Place : Mumbai

HARVINDER PAL SINGH

Harvinder Pal Singh
DIN: 00333754
Director
Place : Gurgaon

JITENDRA JAIN Digitally signed by JITENDRA JAIN Date: 2021.05.15 13:04:07 +05'30'

Jitendra Jain
Chief Financial Officer
Place : Gurgaon

PUNEET JOLLY Digitally signed by PUNEET JOLLY

Puneet Jolly
Mem No: 43608
Company Secretary
Place : Delhi

Dated: May 15, 2021

SATIN FINSERV LIMITED

Statement of changes in equity for the year ended March 31, 2021

(All amounts in Lakhs, unless otherwise stated)

A Equity share capital

Particulars	Balance as at 01 April 2019	Change during the year	Balance as at March 31, 2020	Change during the year	Balance as at March 31, 2021
Equity Share Capital	2,250.00	8,000.00	10,250.00	-	10,250.00

B Other equity

Particulars	Reserves and surplus				Total
	Securities premium	Retained earnings	Statutory reserves	Other reserves	
Balance as at April 01, 2018	-	-	-	-	-
Profit for the period	-	(63.17)	-	-	(63.17)
Balance as at March 31, 2019	**-**	**(63.17)**	**-**	**-**	**(63.17)**
Profit for the year	-	64.72	-	-	64.72
Less: Expenses related to issue of equity shares	-	(85.10)	-	-	(85.10)
Transfer to statutory reserves	-	(12.94)	12.94	-	-
Balance as at March 31, 2020	**-**	**(96.50)**	**12.94**	**-**	**(83.55)**
Profit for the year	-	479.69	-	-	479.69
Transfer to statutory reserves		(95.94)	95.94		-
Balance as at March 31, 2021	**-**	**287.26**	**108.88**	**-**	**396.14**

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

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

BHATIA RAJEEV Digitally signed by BHATIA RAJEEV Date: 2021.05.15 15:11:09 +05'30'

Rajeev Bhatia
Partner
M No. 089018

Place : Delhi
Dated: May 15, 2021

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

SUMIT MUKHERJEE Digitally signed by SUMIT MUKHERJEE Date: 2021.05.15 13:34:40 +05'30'

Sumit Mukherjee
DIN: 08369056
WTD & CEO
Place : Mumbai

HARVINDER PAL SINGH

Harvinder Pal Singh
DIN: 00333754
Director
Place : Gurgaon

JITENDRA JAIN Digitally signed by JITENDRA JAIN Date: 2021.05.15 13:04:51 +05'30'

Jitendra Jain
Chief Financial Officer
Place : Gurgaon

PUNEET JOLLY Digitally signed by PUNEET JOLLY Date: 2021.05.15 13:38:05 +05'30'

Puneet Jolly
Mem No: 43608
Company Secretary
Place : Delhi

Dated: May 15, 2021

1. Company Overview / Corporate Information

Satin Finserv Limited ('the Company') is a public limited company and incorporated on August 10, 2018, under the provisions of Companies Act. The Company is a non-deposit accepting Non-Banking Financial Company ('NBFC-ND') and is registered as a Non-Banking Financial Company ('NBFC') with the Reserve Bank of India ("RBI") in January 09, 2019. The main objective of the Company to carry on the business of Non-Banking Financial Company and to undertake and or arrange or syndicate all types of business relating to financing of consumers, individuals, industry or corporates, for all kinds of vehicles, aircrafts, ships, machinery, plants, two-wheelers, tractors and other farm equipments, consumer durables, equipment, renewable energy equipment/infrastructure, construction equipment, housing equipment, capital equipment, office equipment, their spares and components, real estate, infrastructure work or activity, including used/refurbished products, as also services of every kind and description, computers, storage tanks, toll roads, communication satellites, communication lines, factories, rolling stock, moveable and immoveable property, to engage in all forms of securitisation, instalment sale and/or deferred sale relating to goods or materials, to purchase the book debts and receivables of companies and to lend or give credit against the same, to borrow, to transact business as promoters, financiers, monetary agents, to carry out the business of a company established with the object of financing industrial enterprises and to arrange or provide financial and other facilities independently or in association with any person, Government, Financial Institutions, Banks, Industrial Companies or any other agency, in the form of lending or advancing money by way of loan, working capital finance, real estate finance, refinance, project finance or in any other form, whether with or without security, to institutions, bodies corporate, firms, associations, societies, trusts, authorities, industrial enterprises and to arrange or provide facilities for the purposes of infrastructure development work or for providing infrastructure facilities or engaging in infrastructure activities and to raise and provide venture capital and promote or finance the promotion of joint stock companies, to invest in, to underwrite, to undertake matters relating to real estate advisory, to manage the issue of, and to trade in their shares or other securities. The Company is domiciled in India and its registered office is situated at 503, 5th Floor, Kundan Bhawan, Azadpur Commercial Complex, New Delhi – 110033.

2. Basis of preparation

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

These Ind AS financial statements ("the Financial Statements") have been prepared in accordance with the Indian Accounting Standards 'Ind AS' as notified by Ministry of Corporate Affairs ('MCA') under Section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act.

The financial statements for the year ended March 31, 2021 are the financial statements, which has been prepared in accordance with Ind AS and other applicable guidelines issued by the Reserve Bank of India ('RBI').

The financial statements for the year ended March 31, 2021 were authorized and approved for issue by the Board of Directors on May 15, 2021.

(ii) Historical cost convention

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

3. Summary of significant accounting policies

The financial statements have been prepared using the significant accounting policies and measurement bases summarised as below.

a) Property, plant and equipment

Recognition and initial measurement

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

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

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

Asset class	**Useful life**
Office equipment	5 years
Computer and accessories – end user devices	3 years
Computer and accessories – network equipment	6 years
Furniture and fixtures	10 years

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

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

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

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

b) Revenue recognition

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

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

Other Income
The Company recognise the interest income on fixed deposits and other income on accrual basis.

c) Borrowing costs

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

d) Taxation

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

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

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

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

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

e) 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 gratuity as defined benefit where the amount that employee will receive on retirement is defined by reference to employee's length of service and last drawn salary. Under the defined benefit plans, the amount that an employee will receive on retirement is defined by reference to the employee’s length of service and final salary. The 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. 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 one year from the Balance Sheet date is estimated in the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method as on the reporting date. Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged to statement of profit and loss in the year in which such gains or losses are determined.

f) Impairment of non-financial assets

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

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

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

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

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

g) Impairment of financial assets

Loan assets

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

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

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

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

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

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

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

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

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

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

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

h) Cash and cash equivalents

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

Cash Flow Statement

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

i) Leases

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

The Company as a lessee

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

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

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

Certain lease arrangements includes the exclusive options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

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

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

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

The Company as a lessor

The company does not have any leases as a lessor.

Transition

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

j) Provisions, contingent assets and contingent liabilities

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

Contingent liability is disclosed for:

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

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

k) Financial instruments

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

Non-derivative financial assets

Subsequent measurement

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

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

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

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

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

Impairment of financial assets

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

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

Non-derivative financial liabilities

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

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

Offsetting of financial instruments

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.

l) 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.

m) Segment reporting

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

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

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

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

Significant management judgements

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

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

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

- Determining criteria for significant increase in credit risk;

- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and
- Establishing groups of similar financial assets for the purposes of measuring ECL.

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

Significant estimates

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

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

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

SATIN FINSERV LIMITED

Notes to the financial statements for the year ended March 31, 2021

(All amounts in Lakhs, unless otherwise stated)

	As at March 31, 2021	As at March 31, 2020
Note 4: Cash and cash equivalents		
Cash in hand	0.50	1.78
Balance with banks in current accounts	830.36	304.19
Deposits with original maturity of less than 3 months	-	1,501.10
Total of cash and cash equivalents	**830.86**	**1,807.07**

Note 5: Loan portfolio (at amortised cost)		
Portfolio loans		
Secured	7,611.78	7,510.74
Unsecured	5,487.14	3,580.36
Less: Impairment loss allowance	(238.09)	(150.70)
	12,860.83	**10,940.40**
Total	**12,860.83**	**10,940.40**

(i) Secured by book debts, margin money and property plant and equipments	7,611.78	7,510.74
(ii) Covered by bank/government guarantees	-	-
(iii) Unsecured	5,487.14	3,580.36
Total - Gross	**13,098.92**	**11,091.10**
Less: Impairment loss allowance	(238.09)	(150.70)
Total - Net	**12,860.83**	**10,940.40**

Loans in India		
(i) Public Sector	**-**	**-**
(ii) Others	13,098.92	11,091.10
Total - Gross	**13,098.92**	**11,091.10**
Less: Impairment loss allowance	(238.09)	(150.70)
Total - Net	**12,860.83**	**10,940.40**

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

Particulars		
Interest accured	161.59	190.93
Unamortised loan processing fee	(99.75)	(118.06)

Note 6: Other financial assets (at amortised cost)		
Security deposit	86.94	17.05
	86.94	**17.05**

Note 7: Current tax assets (net)		
Advance Tax (net)	1.16	4.19
	1.16	**4.19**

Note 8: Deferred tax assets (net)		
Deferred tax assets		
Provision for employee benefits	12.62	6.92
Preliminary expenses	0.45	0.70
Allowance for expected credit loss	59.92	37.68
Difference in written down value as per Companies Act and Income Tax Act	0.64	0.58
Deferred tax liabilities		
Statutory reserve u/s 36(1)(VIIa)	(9.66)	-
Net deferred tax assets	**63.97**	**45.88**

Movement in deferred tax assets (net)

Particulars	**As at March 31, 2020**	**(Charged)/ credited to statement of profit and loss**	**(Charged)/credited to other comprehensive income**	**As at March 31, 2021**
Assets				
Provision for employee benefits	6.92	6.33	(0.63)	12.62
Difference in written down value as per Companies Act and Income Tax Act	0.58	0.06	-	0.64
Preliminary expenses	0.70	(0.25)	-	0.45
Allowance for expected credit loss	37.68	22.24	-	59.92
Liabilities	-			
Statutory reserve u/s 36(1)(VIIa)	-	9.66	-	9.66
Total (net)	**45.88**	**18.72**	**(0.63)**	**63.97**

Particulars	**As at March 31, 2019**	**(Charged)/ credited to statement of profit and loss**	**(Charged)/credited to other comprehensive income**	**As at March 31, 2020**
Assets				
Provision for employee benefits	0.50	6.42	-	6.92
Difference in written down value as per Companies Act and Income Tax Act	-	0.58	-	0.58
Preliminary expenses	0.93	(0.23)	-	0.70
Allowance for expected credit loss	-	37.68	-	37.68
Liabilities				
Unused tax losses	(20.75)	20.75	-	-
Total (net)	**22.18**	**23.70**	**-**	**45.88**

SATIN FINSERV LIMITED

Notes to the financial statements for the year ended March 31, 2021

(All amounts in Lakhs, unless otherwise stated)

Note 9: Property, Plant and Equipment

Particulars	Plant and equipment	Office Equipment	Furniture and fixtures	ROU Assets	Total
Gross carrying value					
At April 1, 2019	-	-	-	-	-
Adjustment on transition to Ind AS 116	-	-	-	26.31	26.31
Addition	12.55	0.91	5.77	-	19.23
Disposals	-	-	-	-	-
Balance as at March 31, 2020	**12.55**	**0.91**	**5.77**	**26.31**	**45.54**
Addition	7.10	2.33	-	68.16	77.58
Disposals	-	-	-	7.97	7.97
As at 31 March 2021	**19.65**	**3.24**	**5.77**	**86.49**	**115.15**
Accumulated depreciation					
At April 1, 2019	-	-	-	-	-
Charge for the year	3.59	0.32	0.94	5.89	10.74
Disposals	-	-	-	-	-
Balance as at March 31, 2020	**3.59**	**0.32**	**0.94**	**5.89**	**10.74**
Addition	6.78	0.50	1.25	14.40	22.93
Disposals	-	-	-	2.89	2.89
As at 31 March 2021	**10.37**	**0.82**	**2.19**	**17.40**	**30.78**
Net Carrying value					
At April 1, 2019	-	-	-	-	-
As at March 31, 2020	8.96	0.59	4.83	20.42	34.80
As at 31 March 2021	**9.28**	**2.42**	**3.58**	**69.10**	**84.37**

Note 10: Intangible assets

Description	Intangible assets	Total
Gross carrying value		
At April 1, 2019	-	-
Addition	9.70	9.70
Disposals	-	-
Balance as at March 31, 2020	**9.70**	**9.70**
Addition	0.16	0.16
Disposals	-	-
As at 31 March 2021	**9.86**	**9.86**
Accumulated depreciation		
At April 1, 2019	-	-
Charge for the year	0.71	0.71
Disposals	-	-
Balance as at March 31, 2020	**0.71**	**0.71**
Addition	1.80	1.80
Disposals	-	-
As at 31 March 2021	**2.51**	**2.51**
Net Carrying value		
At April 1, 2019	-	-
As at March 31, 2020	8.99	8.99
As at 31 March 2021	**7.35**	**7.35**

SATIN FINSERV LIMITED
Notes to the financial statements for the year ended March 31, 2021
(All amounts in Lakhs, unless otherwise stated)

	As at March 31, 2021	As at March 31, 2020
Note 11: Other non-financial assets		
Prepaid expenses	152.58	133.37
GST Input (Net of Liability)	11.76	11.60
Other advances	34.17	5.77
Total	**198.51**	**150.74**
Note 12: Other payable		
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	44.28	29.61
	44.28	**29.61**
Note 13: Debt securities (at amortised cost)		
Non-convertible debentures (Secured)	550.16	-
	550.16	**-**
Debt securities in India	550.16	
Debt securities outside India	-	-
	550.16	**-**
Unamortised Processing Fees	4.05	-
Accrued Interest	54.21	-

Particulars	Terms of Repayment	As at March 31, 2021	As at March 31, 2020
Non-convertible debentures (secured)			
50 (March 31, 2020: NIL), @14.50% (Previous year : NIL), rated, listed, 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	**550.16**	**-**

	As at March 31, 2021	As at March 31, 2020
Note 14: Borrowings (other than debt securities)		
Term loans from other parties (At amortised Cost)#		
Secured	2,600.34	2,450.43
Lease Liability on Rental assets	72.80	21.81
Total (A)	**2,673.14**	**2,472.24**
Borrowings in India	2,673.14	2,472.24
Borrowings outside India	-	-
Total (B)	**2,673.14**	**2,472.24**

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

Unamortised Processing Fees	13.64	18.29
Accrued Interest	22.37	21.20

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

Particulars	Borrowings (other than debt)	Liability against leased assets	Total
March 31, 2019	50.00	-	50.00
Adoption of Ind AS 116	-	26.31	26.31
Cash flows:			
- Repayment	(4,502.48)	(6.36)	(4,508.84)
- Proceeds from overdraft facility	-	-	-
- Proceeds other than overdraft facility	6,900.00	-	6,900.00
- Others	21.20	-	21.20
Non cash:			
- Conversion of Optionally Convertible, Redeemable Preference Shares	-	-	-
- Foreign exchange	-	-	-
- Amortisation of upfront fees and others	(18.29)	-	(18.29)
- Others	-	1.86	1.86
March 31, 2020	**2,450.43**	**21.81**	**2,472.24**
Adoption of Ind AS 116	-	68.16	68.16
Cash flows:			
- Repayment	(1,155.91)	(22.57)	(1,178.48)
- Proceeds from overdraft facility	-	-	-
- Proceeds other than overdraft facility	1,800.00	-	1,800.00
- Others	55.37	-	55.37
Non cash:			
- Conversion of Optionally Convertible, Redeemable Preference Shares	-	-	-
- Foreign exchange	-	-	-
- Amortisation of upfront fees and others	0.60	-	0.60
- Others	-	5.41	5.41
March 31, 2021	**3,150.50**	**72.80**	**3,223.30**

SATIN FINSERV LIMITED

Notes to the financial statements for the year ended March 31, 2021
(All amounts in Lakhs, unless otherwise stated)

Note 14A: Terms of principal repayment of borrowings as at March 31, 2021

Original maturity of loan	Interest rate	Due within 1 year		Due between 1 to 2 Years		Due between 2 to 3 Years		Due beyond 3 Years		Total
		No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	
Monthly	14% to 15.00%	95	1,460.09	36	619.14	24	452.76	3	59.62	**2,591.61**
Bullet	15.50%	-	-	-	-	1	500.00	-	-	**500.00**
Total		**95**	**1,460.09**	**36**	**619.14**	**24**	**952.76**	**3**	**59.62**	**3,091.61**

SATIN FINSERV LIMITED

Notes to the financial statements for the year ended March 31, 2021

(All amounts in Lakhs, unless otherwise stated)

	As at March 31, 2021	As at March 31, 2020
Note 15: Other financial liabilities		
Security deposit received from customers	108.56	251.63
Insurance Payable	6.10	10.14
Other payable	14.34	8.20
Salary payable	10.96	12.83
Total	**139.96**	**282.80**
Note 16: Provisions		
Provision for compensation absences	39.01	21.68
Provision for gratuity	11.12	5.98
	50.13	**27.66**
Note 17: Other non-financial liabilities		
Deferred income	4.70	11.15
Statutory dues:		
TDS payable	19.33	12.81
Other statutory dues payable	6.15	6.41
Total	**30.18**	**30.37**

SATIN FINSERV LIMITED

Notes to the financial statements for the year ended March 31, 2021

(All amounts in Lakhs, unless otherwise stated)

Note 18: Equity share capital	As at 31 March 2021		As at 31 Mar 2020	
	Number	Amount	Number	Amount
Authorised share capital				
Equity share capital of face value of ₹ 10 each				
At the beginning of the year	10,30,00,000	10,300.00	2,30,00,000	2,300.00
Additions during the year	-	-	8,00,00,000	8,000.00
Total	**10,30,00,000**	**10,300.00**	**10,30,00,000**	**10,300.00**
Issued, subscribed and paid up capital	**Number**	**Amount**	**Number**	**Amount**
Equity share capital of face value of ₹ 10 each				
At the beginning of the year	10,25,00,000	10,250.00	2,25,00,000	2,250.00
Additions during the year	-	-	8,00,00,000	8,000.00
Total	**10,25,00,000**	**10,250.00**	**10,25,00,000**	**10,250.00**
Reconciliation of number of equity shares outstanding at the beginning and at the end of the period				
Balance at the beginning of the year	10,25,00,000	10,250.00	2,25,00,000	2,250.00
Add: Issued during the year	-	-	8,00,00,000	8,000.00
	10,25,00,000	**10,250.00**	**10,25,00,000**	**10,250**
Equity shares held by Holding Company:	**Number**	**%**	**Number**	**%**
Satin Creditcare Network Limited	10,25,00,000	100	10,25,00,000	100
Total	**10,25,00,000**	**100**	**10,25,00,000**	**100**

The company has only one class of equity shares having par face value of ₹ 10 per share. Each equity shareholder is eligible for one vote per share held. Any dividend, if proposed by the Board of Directors, is subject to the approval of shareholders. Dividend declared and paid would be in Indian rupees. Dividends are subject to corporate dividend tax. In the event of liquidation of the Company, the holders of equity share will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

	As at March 31, 2021	As at March 31, 2020
Note 19: Other equity		
Statutory reserves	108.88	12.94
Retained earnings	287.26	(96.50)
Total	**396.14**	**(83.56)**

Nature and purpose of other reserve

Statutory reserves

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

SATIN FINSERV LIMITED
Notes to the financial statements for the year ended March 31, 2021
(All amounts in Lakhs, unless otherwise stated)

	For the year ended March 31, 2021	For the year ended March 31, 2020
Note 20: Interest Income (measured at amortised cost)	**On financial assets measured at amortised cost**	**On financial assets measured at amortised cost**
Interest income on loans	2,350.24	1,277.53
Interest income on deposits with banks	42.95	11.42
Total	**2,393.19**	**1,288.95**
Note 21: Fees and commission income		
Login Fee Income	14.54	66.78
Documentation charges	15.94	3.66
Total	**30.48**	**70.44**
Note 22: Net gain on fair value changes		
Net gain/ (loss) on financial instrumentsat fair value through profit or loss		
- Mutual Funds	-	24.17
Total Net gain/(loss) on fair value changes	**-**	**24.17**
Fair Value Changes:		
-Realised	-	24.17
Total Net gain/(loss) on fair value changes	**-**	**24.17**
Note 23: Other Income		
Miscellaneous income	25.44	18.28
Foreclosure charges received	31.77	-
Total	**57.21**	**18.28**
Note 24: Finance cost (on financial liabilities measured at amortised cost)		
Interest on debt securities	58.60	-
Interest on borrowings other than debt securities	340.40	149.74
Interest expense on lease rental assets	5.41	1.86
Other interest expenses	34.48	24.67
	438.89	**176.27**
Note 25: Impairment on financial instruments (on financial assets measured at amortised cost)		
Allowance for expected credit loss	87.39	146.14
Portfolio loans written off	245.99	-
	333.38	**146.14**
Note 26: Employee benefit expenses		
Salaries, wages and bonus	676.15	632.66
Contribution to funds	32.78	28.18
Staff welfare expenses	5.46	5.86
Total	**714.39**	**666.70**
Note 27: Depreciation and amortization expense		
Depreciation on property, plant & equipments	8.53	4.85
Depreciation on right on use assets	14.40	5.89
Amortization on Intangible assets	1.80	0.71
	24.73	**11.45**

SATIN FINSERV LIMITED
Notes to the financial statements for the year ended March 31, 2021
(All amounts in Lakhs, unless otherwise stated)

	For the year ended March 31, 2021	For the year ended March 31, 2020
Note 28: Other expenses		
Bank charges	0.94	1.07
Business development expenses	1.14	1.30
Commission expenses	13.40	47.82
Interest on interest to borrowers	10.64	-
Sitting fees paid to directors	3.58	2.83
Travelling and conveyance	26.83	49.08
Rent expenses	31.70	63.58
Office expenses	62.84	20.86
Software maintenace expenses	66.81	62.30
Payment to auditors	7.35	2.43
Professional fees	46.90	31.33
Printing and stationery	5.12	7.94
Legal expenses	49.67	22.48
Total	**326.92**	**313.02**

*Remuneration to auditors comprises of:		
As statutory auditor	1.50	0.75
As tax auditor	1.00	0.25
GST Audit Fees	2.40	-
Other services	2.45	1.43
Reimbursement of expenses	-	-
	7.35	**2.43**

Note 29: Earning per Share

Net profit attributable to equity shareholders		
Net profit for the period	477.82	64.72
Nominal value of equity share (₹)	10.00	10.00
Weighted average number of equity shares	10,25,00,000	6,30,19,126
Basic earnings per share (₹)	**0.47**	**0.10**
Nominal value of equity share (₹)	10.00	10.00
Weighted-average number of equity shares used to compute diluted earnings per share	10,25,00,000	6,30,19,126
Diluted earnings per share (₹)	**0.47**	**0.10**

Note 30: Tax expense

Current tax (including taxes earlier years)	183.47	47.24
Deferred tax credit	(18.72)	(23.70)
	164.75	**23.54**

The major components of income tax expense and the reconciliation of expense based on the domestic effective tax rate of at 25.17% and the reported tax expense in profit or loss are as follows:

Accounting profit before income tax	**642.57**	**88.26**
At country's statutory income tax rate of 25.17% (31 March 2020: 26%)	161.73	22.95
Adjustments in respect of taxes		
(i) Change in rate	(0.37)	-
(ii) Preliminary expenses allowed	0.89	0.89
(v) Others	2.48	(0.30)
	164.75	**23.54**

SATIN FINSERV LIMITED

Notes to the Financial Statements for the period ended March 31, 2021

(All amounts in Lakhs, unless otherwise stated)

31 Financial instruments

A Financial assets and liabilities

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

Particulars	Note	As at March 31, 2021	As at March 31, 2020
Financial assets measured at amortised cost			
Cash and cash equivalents	Note - 4	830.86	1,807.07
Loans	Note - 5	12,860.83	10,940.40
Security deposits	Note - 6	86.94	17.05
Total		**13,778.63**	**12,764.52**

Financial liabilities measured at amortised cost			
Other payables	Note - 12	44.28	29.61
Debt securities	Note - 13	550.16	-
Borrowings (other than debt securities)	Note - 14	2,673.14	2,472.24
Other financial liabilities	Note - 15	139.96	282.80
Total		**3,407.54**	**2,784.65**

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).

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, 2021		As at March 31, 2020	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Loans	12,860.83	13,469.48	10,940.40	11,490.28
Security deposits	86.94	86.94	17.05	17.05
Total	**12,947.77**	**13,556.42**	**10,957.45**	**11,507.33**
Financial liabilities				
Borrowings (other than debt securities)	2,673.14	2,637.79	2,472.24	2,472.24
Borrowings (debt securities)	550.16	554.61	-	-
Other financial liabilities	139.96	139.96	282.80	282.80
Total	**3,363.26**	**3,332.36**	**2,755.04**	**2,755.04**

The management assessed that fair values of investments, 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 and receivables are determined by applying discounted cash flows ('DCF') method, using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at March 31, 2021 was assessed to be insignificant.

(ii) The fair values of the Company fixed rate interest-bearing borrowings are determined by applying discounted cash flows ('DCF') method, using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period.

32 Financial risk management

i) Risk Management

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

Risk	Exposure arising from	Measurement	Management
Credit risk	Bank balances in current accounts, other bank balances, loans and other financial assets	Ageing analysis	Highly rated bank deposits and diversification of asset base and collaterals taken for assets
Liquidity risk	Borrowings and other financial liabilities	Cash flow forecasts	Committed borrowing (whenever required)
Market risk - interest rate	Variable or fixed rates borrowings	Sensitivity analysis	Negotiation of terms that reflect the market factors
Market risk - security price	Investments in equity securities, mutual funds, certificate of deposits and commercial papers	Sensitivity analysis	Diversification of portfolio, with focus on strategic investments

A) Credit risk

Credit risk is the risk that a counterparty fails to discharge its obligation to the Company. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, 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

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

(i) Low credit risk
(ii) Moderate credit risk
(iii) High credit risk

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

Nature	Assets covered	Basis of expected credit loss
Specific valuation techniques used to value financial instruments include:	Bank balances in current accounts, other bank balances, loans and other financial assets	12 month and life time expected credit loss

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

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

(All amounts in Lakhs, unless otherwise stated)

Financial assets that expose the entity to credit risk

Particulars		As at March 31, 2021	As at March 31, 2020
(i)	**Low credit risk**		
	Bank balances in current accounts	830.36	1,805.29
	Loans	12,410.51	10,823.77
	Security deposits	86.94	17.05
(ii)	**Moderate credit risk**		
	Loans	347.13	85.47
(iii)	**High credit risk**		
	Loans	103.19	31.16

Bank balances in current accounts and bank deposits

Credit risk related to bank balances in current accounts and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks across the country.

Loans

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

b) Credit risk exposure

i) Expected credit losses for financial assets other than loans

Company provides for expected credit losses on financial assets other than loans by assessing individual financial instruments for expectation of any credit losses:

- For bank balances in current accounts and other bank balances - Since the Company deals with only high-rated banks and financial institutions, credit risk in respect of bank balances in current accounts, other bank balances and bank deposits is evaluated as very low.

- For loans comprising security deposits paid - Credit risk is considered low because the Company is in possession of the underlying asset.

- For other financial assets - Credit risk is evaluated based on Company's knowledge of the credit worthiness of those parties and loss allowance is measured for 12 month expected credit losses upon initial recognition and provide for lifetime expected credit losses upon significant increase in credit risk. The Company does not have any expected loss based impairment recognised on such assets considering their low credit risk nature, though the reconciliation of expected credit loss for all sub categories of financial assets (other than loans) are disclosed below:

As at March 31, 2021	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Bank balances in current accounts	830.36	-	830.36
Security deposits	86.94	-	86.94

As at March 31, 2020	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Bank balances in current accounts	1,805.29	-	1,805.29
Security deposits	17.05	-	17.05

(All amounts in Lakhs, unless otherwise stated)

ii) Expected credit loss for loans

The Company follows a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below:
A financial instrument that is not credit-impaired on initial recognition is classified in 'Stage 1' and has its credit risk continuously monitored by the Company i.e. the default in repayment is within the range of 0 to 30 days.

If a significant increase in credit risk ('SICR') since initial recognition is identified, the financial instrument is moved to 'Stage 2' but is not yet deemed to be credit-impaired i.e. the default in repayment is within the range of 31 to 90 days.
If the financial instrument is credit-impaired, the financial instrument is then moved to 'Stage 3' i.e. the default in repayment is more than 90 days.

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

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

(i) The borrower is deceased
(ii) A material decrease in the underlying collateral value where the recovery of the loan is expected from the sale of the collateral
(iii) A material decrease in the borrower's turnover or the loss of a major customer
(iv) The borrower requesting emergency funding from the Company

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

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

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

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

Particulars	Stage 1 (0-29 days)	Stage 2 (30-89 days)	Stage 3 (More than 89 Days)
Assets originated or purchased	1,139.90	-	-
Net transfer between stages	-	-	-
Assets derecognised or repaid (excluding write offs)	-	-	-
Write - offs	-	-	-
Gross carrying amount as at March 31, 2019	**1,139.90**	**-**	**-**
Assets originated or purchased	10,277.10	-	-
Net transfer between stages	(189.35)	120.00	69.35
Assets derecognised or repaid (excluding write offs)	(325.90)	-	-
Write - offs	-	-	-
Gross carrying amount as at March 31, 2020	**10,901.75**	**120.00**	**69.35**
Assets originated or purchased	6,129.03	-	-
Net transfer between stages	(468.68)	336.51	132.17
Assets derecognised or repaid (excluding write offs)	(3,875.22)	-	-
Write - offs	(245.99)	-	-
Gross carrying amount as at March 31, 2021	**12,440.89**	**456.51**	**201.52**

(All amounts in Lakhs, unless otherwise stated)

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

Reconciliation of loss allowance	**Loans**	**Other financial assets**
Increase of provision due to assets originated or purchased during the period	4.56	-
Net transfer between stages	-	-
Loss allowance written back	-	-
Write - offs	-	-
Loss allowance on March 31, 2019	**4.56**	**-**
Increase of provision due to assets originated or purchased during the period	146.14	-
Net transfer between stages	-	-
Loss allowance written back	-	-
Write - offs	-	-
Loss allowance on March 31, 2020	**150.70**	**-**
Increase of provision due to assets originated or purchased during the period	87.39	-
Net transfer between stages	-	-
Loss allowance written back	-	-
Write - offs	-	-
Loss allowance on March 31, 2021	**238.09**	**-**

c) Concentration of loans

The Company's exposure to credit risk for loans and trade receivables is presented as below. Other financial assets majorly represents loans to employees and deposits given for business purposes.

Particulars	**As at March 31, 2021**	**As at March 31, 2020**
Agriculture and allied activities	1,680.87	838.35
MSME	2,618.60	2,954.01
Services	1,326.13	891.92
Corporate borrowers	7,239.42	6,123.44
Others	233.90	283.39
Total	**13,098.92**	**11,091.10**

B) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

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

(i) Financing arrangements

The Company had access to the following funding facilities:

As at March 31, 2021	**Total facility**	**Drawn**	**Undrawn**
- Expiring within one year	-	-	-
- Expiring beyond one year	3,000.00	-	3,000.00
Total	**3,000.00**	**-**	**3,000.00**

As at March 31, 2020	**Total facility**	**Drawn**	**Undrawn**
- Expiring within one year	-	-	-
- Expiring beyond one year	5,600.00	2,600.00	3,000.00
Total	**5,600.00**	**2,600.00**	**3,000.00**

(All amounts in Lakhs, unless otherwise stated)

(ii) Maturities of financial assets and liabilities

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

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

As at March 31, 2021	**Less than 1 year**	**1-2 year**	**2-3 year**	**More than 3 years**	**Total**
Non-derivatives					
Bank balances in current accounts	830.86	-	-	-	830.86
Loans	5,242.04	4,379.07	4,402.84	5,092.80	19,116.75
Other financial assets	46.67	40.27	-	-	86.94
Total undiscounted financial assets	**6,119.56**	**4,419.35**	**4,402.84**	**5,092.80**	**20,034.55**
Non-derivatives					
Other payables	44.28	-	-	-	44.28
Debt securities	72.50	72.50	572.50		717.50
Borrowings other than debt securities	1,733.85	734.11	498.60	60.55	3,027.11
Other financial liabilities	139.96	-	-	-	139.96
Total undiscounted financial liabilities	**1,990.59**	**806.61**	**1,071.10**	**60.55**	**3,928.85**
Net undiscounted financial assets/(liabilities)	**4,128.98**	**3,612.74**	**3,331.73**	**5,032.24**	**16,105.69**

As at March 31, 2020	**Less than 1 year**	**1-2 year**	**2-3 year**	**More than 3 years**	**Total**
Non-derivatives					
Bank balances in current accounts	1,807.07	-	-	-	1,807.07
Bank balances other than cash and cash equivalents	-	-	-	-	-
Loans	4,992.75	3,296.37	2,951.74	5,330.08	16,570.94
Other financial assets	10.00	7.05	-	-	17.05
Total undiscounted financial assets	**6,809.82**	**3,303.42**	**2,951.74**	**5,330.08**	**18,395.06**
Non-derivatives					
Other payables	29.61	-	-	-	29.61
Borrowings other than debt securities	1,118.41	820.85	663.56	499.50	3,102.32
Other financial liabilities	308.16	49.05	-	-	357.21
Total undiscounted financial liabilities	**1,456.18**	**869.90**	**663.56**	**499.50**	**3,489.14**
Net undiscounted financial assets/(liabilities)	**5,353.64**	**2,433.52**	**2,288.18**	**4,830.58**	**14,905.91**

C) Market risk

a) Interest rate risk

i) Liabilities

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. At March 31, 2021, the Company is exposed to changes in market interest rates through other borrowings 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, 2021**	**As at March 31, 2020**
Variable rate liabilities		
Borrowings other than debt securities	1,300.05	-
Fixed rate liabilities		
Debt Securities	550.16	-
Borrowings other than debt securities	1,300.29	2,450.43
Total	**3,150.50**	**2,450.43**

Sensitivity

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

ii) Assets

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

33 Capital management

The Company's capital management objectives are

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

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

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

Particulars	**As at March 31, 2021**	**As at March 31, 2020**
Net debt*	2,392.44	665.17
Total equity	10,646.14	10,166.44
Net debt to equity ratio	**0.22**	**0.07**

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

(All amounts in Lakhs, unless otherwise stated)

34 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, 2021		As at March 31, 2020	
ASSETS	**Within 12 months**	**After 12 months**	**Within 12 months**	**After 12 months**
Financial assets				
Cash and cash equivalents	830.86	-	1,807.07	-
Loans	2,951.98	9,908.85	3,006.70	7,933.70
Other financial assets	46.67	40.27	10.00	7.05
	3,829.51	**9,949.12**	**4,823.77**	**7,940.75**
Non-financial assets				
Current tax assets (net)	1.16	-	4.19	-
Deferred tax assets (net)	63.97	-	45.88	-
Property, plant and equipment	-	84.37	-	34.80
Intangible assets under development	-	7.35	-	8.99
Other non-financial assets	198.51	-	150.74	-
	263.64	**91.72**	**200.81**	**43.79**
TOTAL ASSETS	**4,093.15**	**10,040.85**	**5,024.58**	**7,984.55**
LIABILITIES AND EQUITY				
LIABILITIES				
Financial liabilities				
Other payables				
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	44.28	-	29.61	-
Debt securities	72.50	477.66	-	-
Borrowings (other than debt securities)	1,733.85	939.29	815.56	1,635.48
Other financial liabilities	139.96	-	231.53	72.47
	1,990.59	**1,416.95**	**1,076.70**	**1,707.95**
Non-financial liabilities				
Current Tax Liabilities (Net)	-	-	-	-
Provisions	39.01	11.12	21.68	5.98
Other non-financial liabilities	25.48	4.70	19.22	11.15
	64.49	**15.82**	**40.90**	**17.13**
TOTAL LIABILITIES	**2,055.08**	**1,432.77**	**1,117.60**	**1,725.08**
Net equity	**2,038.07**	**8,608.08**	**3,906.97**	**6,259.47**

(All amounts in Lakhs, unless otherwise stated)

35 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.

	For the year ended March 31, 2021	For the year ended March 31, 2020
Employers contribution to provident and other fund*	29.03	22.19

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 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.

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

Particulars	**As at March 31, 2021**	**As at March 31, 2020**
Present value of obligation	11.12	5.98
Fair value of plan assets	-	-
Net obligation recognised in balance sheet as provision	**11.12**	**5.98**

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

Particulars	**For the year ended March 31, 2021**	**For the year ended March 31, 2020**
Current service cost	7.24	5.78
Past service cost including curtailment gains/losses	-	0.20
Interest cost on defined benefit obligation	0.40	-
Interest income on plan assets	-	-
Net impact on profit (before tax)	**7.64**	**5.98**

Amount recognised in the other comprehensive income:

Particulars	**For the year ended March 31, 2021**	**For the year ended March 31, 2020**
Actuarial gain/(loss) unrecognised during the year	-	-

(All amounts in Lakhs, unless otherwise stated)

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

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Present value of defined benefit obligation as at the beginning of year	-	-
Current service cost	7.24	5.78
Interest cost	0.40	-
Past service cost including curtailment gains/losses	-	0.20
Benefits paid	-	-
Actuarial loss/(gain) on obligation		
Actuarial (gain)/loss on arising from change in demographic assumption	-	-
Actuarial (gain)/loss on arising from change in financial assumption	-	-
Actuarial loss on arising from experience adjustment	-	-
Present value of defined benefit obligation as at the end of the year	**7.64**	**5.98**

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

Particulars	As at March 31, 2021	As at March 31, 2020
	-	-
Total	**-**	**-**

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

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Fair value of plan assets at beginning of year	-	-
Actual return on plan assets	-	-
Employer's contribution	-	-
Benefits paid	-	-
Expected return on plan assets	-	-
Actuarial loss/(gain) on plan assets	-	-
Fair value of plan assets at the end of the year	**-**	**-**

(vi) Actuarial assumptions

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Discounting rate	6.76%	6.76%
Future salary increase	4.00%	4.00%
Retirement age (years)	60	58
Withdrawal rate		
Up to 30 years	5%	5%
From 31 to 44 years	3%	3%
Above 44 years	2%	2%
Weighted average duration	17.58	16.96

Mortality rates inclusive of provision for disability -100% of IALM (2006 – 08)

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 (2006-08) Ultimate table.

(vii) Sensitivity analysis for gratuity liability

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Impact of the change in discount rate		
Present value of obligation at the end of the year	11.12	5.98
- Impact due to increase of 0.50 %	(0.69)	(0.38)
- Impact due to decrease of 0.50 %	0.75	0.42
Impact of the change in salary increase		
Present value of obligation at the end of the year	11.12	5.98
- Impact due to increase of 0.50 %	0.77	0.43
- Impact due to decrease of 0.50 %	(0.71)	(0.39)

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)	As at March 31, 2021	As at March 31, 2020
year	**Amount**	**Amount**
0 to 1 year	0.04	0.02
1 to 2 year	0.06	0.03
2 to 3 year	0.09	0.04
3 to 4 year	0.28	0.05
4 to 5 year	0.29	0.16
5 to 6 year	0.28	0.16
6 year onwards	10.08	5.52
Total	**11.12**	**5.98**

(All amounts in Lakhs, unless otherwise stated)

36 Related party disclosures

A List of related parties and disclosures

Holding Company:
Satin Creditcare Network Limited

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

Key managerial personnel and their relatives:

Name of key managerial personnel	Designation	Relatives
Mr. H P Singh	Director	Mr. Satvinder Singh
		Mrs. Anureet H P Singh
Mr. Sumit Mukherjee	Director & CEO	-
Mr. Jitendra Jain	Chief Financial Officer	-
Mrs. Bhanu Priya*	Company Secretary	-
Mr. Puneet Jolly	Company Secretary	-

* resigned from company secretary w.e.f March 30, 2021

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

Name of related party	Nature of transaction	For the period ended March 31, 2021	For the period ended March 31, 2020
Satin Creditcare Network Limited	Allotment of shares	-	8,000.00
	Inter corporate loan received	-	4,300.00
	Inter corporate loan repaid	-	4,350.00
	Interest expenses on loan	-	43.00
	Technology sharing services received	39.29	-
	Fees for corporate guarantee	9.44	-
	Payment of rent for office space sharing	24.86	50.93
Tarashna Financial Services Limited	DSA Commission expenses	23.49	18.57
Satin Neo Dimensions Pvt. Ltd.	Inter corporate loan given	150.00	-
	Interest income on loan	9.20	-
	Repayment received against loan	14.27	-
Mr. Sumit Mukherjee	Remuneration	70.00	80.00
Mr. Jitendra Jain	Remuneration	23.56	25.15
Mrs. Bhanu Priya	Remuneration	7.31	7.69
Mr. Puneet Jolly	Remuneration	0.84	-

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

Name of related party	Nature of balance	As at March 31, 2021	As at March 31, 2020
Satin Neo Dimensions Pvt. Ltd.	Inter corporate loan	135.73	-
	Accrued Interest	1.90	-
Tarashna Financial Services Limited	DSA Commission	(1.52)	-

D Key management personnel remuneration includes the following expenses:

Particulars	For the period ended March 31, 2021	For the period ended March 31, 2020
Short-term employee benefits	101.71	112.84
Post employment benefits	3.14	1.74
Other long-term benefits	10.11	19.74
Termination benefits	-	-
Share based payments	-	-

(All amounts in Lakhs, unless otherwise stated)

37 Segment information

The Company operates in a single business segment i.e. lending to customers who have similar risks and returns for the purpose of Ind AS 108 on 'Operating Segments' notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. The Company operates in a single geographical segment i.e. domestic.

38 Leases

The Company has taken various office premises under lease arrangements. Generally, the lease term varies from 11 months to 60 months and is renewable under mutually agreed terms between lessee and lessor and there is no exclusive right to the company. The company has considered leases having initial lease term of upto 12 months as short term leases as per para 6 of Ind AS 116 and thier expenses have been recognised as Rent under note 31. For all other leases having lease term of more than 12 months a right of use asset is recognised with a corresponding lease liability. The right of use asset is disclosed under Property, Plant and Equipement and lease liability is disclosed under Borrowings. Further disclosures as on March 31, 2021 are as follows:

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

Particulars	**Righ of use asset Office Premises as on 31-03-2021**	**Righ of use asset Office Premises as on 31-03-2020**
Total number of leases	11	6
Number of leases considered as short term leases	4	2
No. of right-of use assets leased	7	4
Range of remaining term	From 17 Months to 54 months	From 25 Months to 50 months
Average remaining lease term	35 months	33 months
No. of leases with extension options	7	4
No. of leases with purchase options	0	0
No. of leases with variable payments linked to an index	0	0
No. of leases with termination options	0	0

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

Particulars	**Righ of use asset Office Premises as on 31-03-2021**	**Righ of use asset Office Premises as on 31-03-2020**
Carrying amount as on March 31, 2020	20.42	-
Reclassified on account of adoption of Ind AS 116	-	-
Additon	68.16	26.31
Depreciation	14.40	5.89
Deletion (net of Depreciation)	5.08	-
Carrying amount as on March 31, 2021	69.10	20.42

SATIN FINSERV LIMITED

Notes to the Financial Statements for the period ended March 31, 2021

(All amounts in Lakhs, unless otherwise stated)

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

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Current	18.55	7.62
Non-current	54.24	14.19
Total	72.80	21.81

6 **At 31 March 2021 the Company do not have any committed leases which had not commenced.**

7 **The undiscounted maturity analysis of lease liabilities at 31 March 2021 is as follows:**

Particulars	Lease payments	Finance charges	Net present values
Within 1 year	25.70	7.15	18.55
1-2 years	23.07	5.02	18.06
2-5 years	41.08	4.90	36.18
Total	89.86	17.06	72.80

The undiscounted maturity analysis of lease liabilities at 31 March 2020 is as follows:

Particulars	Lease payments	Finance charges	Net present values
Within 1 year	9.61	1.99	7.62
1-2 years	10.74	1.05	9.69
2-5 years	4.77	0.27	4.50
Total	25.12	3.31	21.81

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

8 **Operating leases**

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

Office premises

Particulars	March 31, 2021	March 31, 2020
Short term leases	31.70	57.25
Leases of low value assets	-	-
Variable lease payments	-	-
Total	**31.70**	**57.25**

9 The Company had total cash outflows for leases of Rs. 40.49 Lakhs in financial year ended on 31 March 2021 (Rs. 63.58 Lakhs in 31 March 2020).

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

Particulars	March 31, 2021	March 31, 2020
Depreciation expense of right-of-use assets	14.40	5.89
Interest expense on lease liabilities	5.41	1.86
Expense relating to short-term leases (included in other expenses)	31.70	57.25
Expense relating to leases of low-value assets (included in other expenses)	-	-
Variable lease payments (included in other expenses)	-	-
Total amount recognised in profit or loss	**51.51**	**65.00**

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

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

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

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

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

Since the company has adopted Ind AS 116 w.e.f. April 1, 2019 prospectively, comparitive figures are not required to be disclosed in accordance with standard.

39 Contingent liability and Capital & other commitments

No contingent liabilities as on 31st March 2021 (previous year NIL). Estimated amount of contracts remaining to be executed on capital account is NIL (previous year NIL). Other commitments is NIL as on 31st March 2021 (previous year NIL). There is NIL (previous year NIL) undrwan limit exposure as on 31st March 2021.

39.1 Estimates

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

39.2 Classification and measurement of financial assets and liabilities

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

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

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

a) The effects of the retrospective application or retrospective restatement are not determinable;
b) The retrospective application or restatement requires assumptions about what management's intent would have been in that period;

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

40 Impact of COVID-19 Pandemic

The SARS-CoV-2 virus responsible for COVID-19 continues to spread across the globe and India since more than a year, which has contributed to a significant decline and volatility in global and Indian financial markets and a significant decrease in global and local economic activities. On March 11, 2020, the COVID-19 outbreak was declared a global pandemic by the World Health Organization and it is continuing. Numerous governments and companies, including the our Company, have introduced a variety of measures to contain the spread of the virus. The extent to which the COVID-19 pandemic will impact the Company's results will depend on future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by the Company.

40A Estimation of uncertainties relating to the global health pandemic from COVID-19:

The Company has considered the past year experiance and possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of loan receivables & other receivables, property plant & equipment and intangible assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts and consensus estimates from market sources on the expected future performance of the Company. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

40B Impact of Covid-19 on loan receivables and Revenue from Operations

The Company has considered its past collection trend during the spread of Pandemic and further evaluated the impact of COVID – 19. Due to the nature of the pandemic, the Company will continue to monitor developments to identify significant uncertainties relating to revenue in future periods. In accordance with the Reserve Bank of India ('RBI') guidelines relating to 'COVID-19 Regulatory Package' dated 27 March 2020 and subsequent guidelines on EMI moratorium dated 17 April 2020 and 23 May 2020, the Company has offered to its customers a moratorium of six months on the payment of all instalments and / or interest, as applicable, due between March 1, 2020 and August 31, 2020 to all eligible borrowers, classified as standard, even if overdue, as on February 29, 2020. For all such accounts where the moratorium was granted, the asset classification shall remain stand still during the moratorium period (i.e. the number of days past-due shall exclude the moratorium period for the purposes of asset classification under the Income Recognition, Asset Classification and Provisioning norms).

The Company holds provisions as at March 31, 2021 against the potential impact of COVID-19 based on the information available at this point in time. The provisions held by the Company are in excess of the RBI prescribed norms.

40C Impact of Covid-19 on Loss allowance for loan receivables and other receivables

The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company considered current and anticipated future economic conditions. In calculating expected credit loss on loan receivables and other receivables, the Company has also considered credit reports and other related credit information for its customers to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic relating to COVID -19.

40D Impairment assessment of Property plant and equipment, Intangible assets

The Company is engaged primarily in providing affordable housing finance services in the northern region India. Considering the nature of business the Company does not have major PP&E assets. As at March 31, 2021, the estimated recoverable amount of the CGU exceeded its carrying amount. Reasonable sensitivities in key assumptions consequent to the change in estimated future economic conditions on account of possible effects relating to Covid 19 is unlikely to cause the carrying amount to exceed the recoverable amount of the cash generating unit.

40E Credit risk on cash and cash equivalents

Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks. Company also invests in mutual funds and reviews the portfolio on regular basis. Mutual Funds with high quality portfolio are preferred.

Company has considered the latest available credit ratings in view of COVID – 19 as at the date of approval of these financial statements.

40F Contingencies

The economic consequences and uncertainties resulting from the Coronavirus itself or from actions taken by governments and the company to respond to the outbreak may have an impact on contingent liability. Liabilities previously meeting or not meeting the definition of a contingent liability may need to be reconsidered for the purpose of disclosure in financial statement. Same has been duly considered by the management.

SATIN FINSERV LIMITED
Notes to the Financial Statements for the period ended March 31, 2021
(All amounts in Lakhs, unless otherwise stated)

41 Additional disclosures as required by the Reserve Bank of India:-

(i) Capital to Risk Assets Ratio (CRAR)

Particulars	As at March 31, 2021	As at March 31, 2020
CRAR (%)	80.23	92.06
CRAR - Tier I Capital (%)	79.32	91.36
CRAR - Tier II Capital (%)	0.91	0.70
Amount of subordinated debt raised as Tier-II capital	-	-
Amount raised by issue of Perpetual Debt Instruments	-	-

(ii) Disclosure of investments:-

Particulars		As at March 31, 2021	As at March 31, 2020
Value of Investments			
Gross Value of Investments			
(a)	In India	-	-
(b)	Outside India,	-	-
Provisions for Depreciation			
(a)	In India	-	-
(b)	Outside India,	-	-
Net Value of Investments			
(a)	In India	-	-
(b)	Outside India,	-	-
Movement of provisions held towards depreciation on investments			
(i)	Opening balance	-	-
(ii)	Add : Provisions made during the year	-	-
(iii)	Less : Write-off / write-back of excess provisions during th	-	-
(iv)	Closing balance	-	-

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

(iv) Disclosure relating to securitization:-
The Company has no transactions/exposure in securitization in the current period and previous period.

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

(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 period and previous period.

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

(vii) Asset Liabilities Management Maturity pattern of certain items of assets and liabilities:-
As at March 31, 2021

Particulars	1 day to 30/31 days (One Month	Over one Month to 2 Months	Over 2 Months upto 3 Months	Over 3 Months upto 6 Months	Over 6 Months upto 1 Year	Over 1 Year to 3 Years	Over 3 Years to 5 Years	Over 5 Years	Total
Liabilities									
Debt Securites	-	-	-	50.16	-	500.00	-	-	550.16
Market Borrowings (other than Banks)	141.11	136.32	135.33	395.82	664.96	1,067.18	59.63	-	2,600.34
Assets									
Advances	438.78	261.93	250.24	819.84	1,419.28	5,982.09	3,236.54	690.22	13,098.91
Cash and cash equivalents	830.86	-	-	-	-	-	-	-	830.86

As at March 31, 2020

Particulars	1 day to 30/31 days (One Month	Over one Month to 2 Months	Over 2 Months upto 3 Months	Over 3 Months upto 6 Months	Over 6 Months upto 1 Year	Over 1 Year to 3 Years	Over 3 Years to 5 Years	Over 5 Years	Total
Liabilities									
Market Borrowings (other than Banks)	60.62	66.32	65.18	197.25	411.68	1,166.17	462.01	-	2,429.23
Assets									
Advances	461.38	257.75	144.84	869.30	1,424.13	3,693.53	3,727.49	512.68	11,091.12
Other advances	305.97	1,501.10	-	-	-	-	-	-	1,807.07

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

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

(x) Information on instances of fraud:-
No traansaction were reported during the current period and previous period.

(xi) Details of single borrower limit exceeded by applicable NBFC:-
The Company does not have single borrower exceeding the limits during the current period and previous period.

(xii) Details of financing of parent Company product:-
The Company does not have such transaction during the current period and previous period.

(xiii) Registration obtained from other financial sector regulators:-
The Company is registered with the 'Ministry of Corporate Affairs' (Financial regulators as described by Ministry of Finance).

(xiv) Disclosure of Penalties imposed by RBI & other regulators:-
No penalties imposed by RBI and other regulators during the current period and previous period.

(xv) Concentration of Advances, Exposures and NPAs

Particulars	As at March 31, 2021	As at March 31, 2020
Concentration of Advances		
Total advances to twenty largest borrowers	7,255.80	6,172.60
(%) of advances to twenty largest borrowers to total advances	56.42%	56.42%
Concentration of Exposures		
Total exposure to twenty largest borrowers	7,255.80	6,172.60
(%) of exposure to twenty largest borrowers to total exposure	56.42%	56.42%
Concentration of NPAs		
Total exposure to top four NPA accounts	38.93	47.08
(%) of exposure to top four NPA accounts	0.30%	0.43%

SATIN FINSERV LIMITED

Notes to the Financial Statements for the period ended March 31, 2021

(All amounts in Lakhs, unless otherwise stated)

(xvi) Movement of NPAs:-

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
i) Net NPAs to net advance (%)	0.89%	0.28%
ii) Movement of NPAs (Gross)		
a) Opening balance	69.35	-
b) Addition during the year	378.16	69.35
c) Reduction/ write off during the year	245.99	-
d) Closing balance	201.52	69.35
iii) Movement of NPAs (Net)		
a) Opening balance	31.16	-
b) Addition during the year	307.49	31.16
c) Reduction/ write off during the year	245.99	-
d) Closing balance	92.66	31.16
iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
a) Opening balance	38.19	-
b) Addition during the year	70.67	38.19
c) Reduction/ write off during the year	-	-
d) Closing balance	108.86	38.19

(xvii) Unsecured advances - please refer note 6 of Balance Sheet Notes

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

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Provision for standard and non performing assets	87.39	146.14
Provision for gratuity	7.64	5.98
Provision for compensation absences	23.83	19.74

(xix) Un-hedged foreign currency

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

(xx) Customer complaints:-

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
a) Number of complaints pending at the beginning of the year	-	-
b) Number of complaint received during the year	10	7
c) Number of complaint redressed during the year	10	7
d) Number of complaint pending at the end of the year	-	-

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

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP Norms	Difference between Ind AS 109 Provisions and IRACP Norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	12,418.88	19.86	12,399.02	108.10	(88.25)
	Stage 2	456.51	109.38	347.13	1.83	107.56
Subtotal						
Non-Performing Assets (NPA)						
Substandard	Stage 3	201.52	98.32	103.19	20.15	78.18
Doubtful - up to 1 year	Stage 3	22.01	10.53	11.48	4.40	6.14
1 to 3 years	Stage 3	22.01	10.53	11.48	4.40	6.14
More than 3 years	Stage 3	NIL	NIL	NIL	NIL	NIL
Subtotal for doubtful		**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
Loss	Stage 3	NIL	NIL	NIL	NIL	NIL
Subtotal for NPA		**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	NIL	NIL	NIL	NIL	NIL
	Stage 2	NIL	NIL	NIL	NIL	NIL
	Stage 3	NIL	NIL	NIL	NIL	NIL
Subtotal		**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
	Stage 1	**12,418.88**	**19.86**	**12,399.02**	**108.10**	**(88.25)**
Total	Stage 2	**456.51**	**109.38**	**347.13**	**1.83**	**107.56**
	Stage 3	**223.53**	**108.86**	**114.67**	**24.55**	**84.32**
	Total	**13,098.92**	**238.09**	**12,860.83**	**134.48**	**103.63**

(xxii) Disclosure of stress assets as required under notification issued by RBI dated August 06, 2020, RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 read with notification issued by RBI dated August 06, 2020, RBI/2020-21/17 DOR.No.BP.BC/4/21.04.048/2020-21 **(INR in Lakhs)**

Type of borrower	(A) Number of accounts where resolution plan has been implemented under this window	(B) exposure to accounts mentioned at (A) before implementation of the plan	(C) Of (B), aggregate amount of debt that was converted into other securities	(D) Additional funding sanctioned, if any, including between invocation of the plan and implementation	(E) Increase in provisions on account of the implementation of the resolution plan
Personal Loans	0	0.00	0.00	0.00	0.00
Corporate persons*	2	384.79	353.36	0.00	19.24
Of which, MSMEs	0	0.00	0.00	0.00	0.00
Others - MSME	125	783.74	783.74	0.00	39.19
Total	**127**	**1168.53**	**1137.10**	**0.00**	**58.43**

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

(xxiii) During the year Company has reversed Interest Income of INR 10.64 Lakhs for all eligible borrowers of the Company and based on calculation method suggested by Indian Banks' Associtions (IBA) dated 19 April 2021 read with Notificatioon issued by RBI vide notification no. RBI/2021-22/17 DOR.STR.REC.4/21.04.048/2021-22 dated 7 April 2021.

42 Previous year Figures have been re-grouped/re-classified wherever necessary to make it comparable with the figure presented for the year ended 31st March 2021.

The accompanying notes are an integral part of these interim financial statements.

As per our report of even date attached

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

BHATIA RAJEEV Digitally signed by BHATIA RAJEEV Date: 2021.05.15 15:12:57 +05'30'

Rajeev Bhatia
Partner
M No. 089018

Place : Delhi
Dated: May 15, 2021

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

SUMIT MUKHERJEE Digitally signed by SUMIT MUKHERJEE Date: 2021.05.15 13:35:25 +05'30'

Sumit Mukherjee
DIN: 08369056
WTD & CEO
Place : Mumbai

JITENDRA JAIN Digitally signed by JITENDRA JAIN Date: 2021.05.15 13:06:50 +05'30'

Jitendra Jain
Chief Financial Officer
Place : Gurgaon

Dated: May 15, 2021

HARVINDER PAL SINGH

Harvinder Pal Singh
DIN: 00333754
Director
Place : Gurgaon

PUNEET JOLLY Digitally signed by PUNEET JOLLY Date: 2021.05.15 13:38:42 +05'30'

Puneet Jolly
Mem No: 43608
Company Secretary
Place : Delhi