

Rajeev Bhatia & Associates
Chartered Accountants

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Independent Auditors' Report

To the Members of Satin Finserv Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Satin Finserv Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2023, 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, 2023, 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. 45 to the financial statements with explains that, during the year, Taraashna Financial Services Limited (amalgamating entity) was amalgamated with the Company vide Hon'able NCLT Order dated January 31, 2023. The scheme got effective from March 01, 2023. The Appointed Date of Scheme is April 01, 2021. By the effect of Appointed Date (i.e. April 01, 2021), the financial numbers of the Company for the financial year ended March 31, 2022 are also restated due to amalgamation of the merged entity with the Company.

We further draw attention to Note no 43B to the financial statements which explains that due to the amalgamation of the amalgamating entity with the company, which is registered as a Non-Banking Financial Company (NBFC), as on March 31, 2023, the company is not fulfilling Principal Business Criteria laid down by the RBI. As per the criteria, atleast 50% of total assets of the company should be financial assets and atleast 50% of the gross income should be from financial activities. The company meets the first criteria, but does not meets the second criteria as on March 31, 2023.



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However, the RBI vide letter dated July 22, 2022 has granted to the company time till March 31, 2024 for fulfilling the said criterion

Our opinion is not modified in respect of this matter.

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.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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



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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

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



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- (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) the financial statements dealt with by this report are in agreement with the books of account;
- (d) in our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act;
- (e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated April 22, 2023 as per Annexure B expressed unmodified opinion; and
- (g) with respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
- (i) the Company did not have any pending litigations which impacted its financial position as at March 31, 2023;
- (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, 2023;
- (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, 2023;
- (iv) a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- b) Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement



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

(vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

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


Jatin Goel
Partner
Membership No.: 553420
UDIN - 23553420BGT2M15350



Place: Gurugram
Date: April 22, 2023

Annexure A to the Independent Auditors' Report

Referred to in Paragraph 1 under the heading of "Report on other legal and regulatory requirements" of our report of even date of **Satin Finserv Limited** on the financial statements for the year ended March 31, 2023)

(i) Fixed Assets

- a) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets on the basis of available information.

The Company has maintained proper records showing full particulars of intangible assets.

- b) The Property, Plant and Equipment and right-of-use assets of the Company was physically verified as at the year-end by the management, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancy was noticed on such verification.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not hold any immovable property in its name during the period under audit. Thus, paragraph 3(i) (c) of the Order is not applicable to the Company.
- d) The Company has not revalued any of its Property, Plant & Equipment and intangible assets during the year. Thus, paragraph 3(i) (d) of the Order is not applicable to the Company.
- e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder. Thus, paragraph 3(i)(e) of the Order is not applicable to the Company.

(ii) Inventories & Working Capital Limit

- a) The Company is a service company. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable to the Company.
- b) As per the information and explanation provided to us, the company does not have a working capital limit sanctioned from any bank or financial institution on the basis of security of current assets during the year and as on March 31, 2023. Hence, the reporting under clause 3(ii)(b) of the Order is not applicable.

(iii) Loans granted by company

- a) The Company has been registered under section 45-IA of the Reserve Bank of India Act 1934 as a Non-Banking Financial Company (NBFC). Hence, reporting under clause 3(iii)(a) of the order is not applicable to the company.
- b) In our opinion, the terms and conditions of the grant of loans in nature of loans and advances, during the year are, prima facie, not prejudicial to the Company's interest.



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- c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are generally been regular as per stipulation.
- d) In respect of loans granted by the company, the details of total amount overdue above 90 days are as follows:

No. of cases	Principal Amount Overdue (in Rs.)	Interest Overdue (in Rs.)	Total Overdue (in Rs.)	Remarks
382	1,39,92,789	1,18,67,045	2,58,59,834	NIL

* no. of cases includes restructured cases in compliance of guidelines notification issued by RBI from time to time.

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

- e) The Company has been registered under section 45-IA of the Reserve Bank of India Act 1934 as a Non-Banking Financial Company (NBFC). Hence, reporting under clause 3(iii)(e) of the order is not applicable to the company.
- f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.

(iv) Compliance of Section 185 and 186 of The Act

The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, as applicable.

(v) Acceptance of Deposits

In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits during the year. Thus, paragraph 3(v) of the Order is not applicable to the Company.

(vi) Maintenance of Cost records

To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 for the services of the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.

(vii) Payment of Applicable Taxes



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- a) According to the information and explanations provided to us and the records of the company examined by us, in our opinion, the Company is regular in depositing undisputed statutory dues including income-tax, goods and services tax, provident fund, employees' state insurance, professional taxes and other material statutory dues as applicable with the appropriate authorities in India.

According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, service tax, provident fund, employees' state insurance, professional taxes and other material statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.

- b) According to the information and explanations given to us and the records of the company examined by us, during the period under audit, there are no dues of income tax or any other applicable statutory dues which have not been deposited on account of any dispute.

(viii) Undisclosed income

There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

(ix) Dues to a Financial Institution or bank or debenture holder

- a) Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to banks and financial institutions.
- b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- c) In our opinion and according to the information and explanations given to us, the company has utilized the money obtained by way of term loans during the year for the purposes for which they were obtained.
- d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the company.
- e) The Company does not have any subsidiary, associate or joint venture during the year. Hence, reporting under clause 3(ix)(e) of the Order is not applicable to the Company.
- f) The Company does not have any subsidiary, associate or joint venture during the year. Hence, reporting under clause 3(ix)(f) of the Order is not applicable to the Company.

(x) Initial Public Offer

- a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, paragraph 3 (x)(a) of the Order is not applicable.



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- b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

(xi) Fraud by the Company or on the Company

- a) According to the information and explanations given to us, we report that some instances of misappropriation of cash collected from customers and other forms of embezzlement of cash by the employees involving amounts aggregating Rs. 76.14 Lakhs. The Company has terminated the services of such employees and also initiated legal action against such employees. The Company has recovered Rs. 08.56 Lakhs from some employees.
- b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- c) As represented to us by the management, there are no whistle blower complaints received by the company during the year. hence reporting under clause 3(xi)(c) of the Order is not applicable.

(xii) Nidhi Company

In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) Related Party Transactions

According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) Internal Audit

- a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

(xv) Non – Cash Transactions



According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with respect to acquiring any asset for consideration other than cash with directors or persons connected with them or vice versa. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) Registration with RBI

- a) The Company has been registered under section 45-IA of the Reserve Bank of India Act 1934 as a Non-Banking Financial Company (NBFC). As stated in "Emphasis of Matter" paragraph of our main Audit Report dated April 22, 2023, due to the amalgamation of Taraashna Financial Services Limited (amalgamating entity) with the company, which is registered as a Non-Banking Financial Company (NBFC), as on March 31, 2023, the company is not fulfilling Principal Business Criteria laid down by the RBI. As per the criteria, atleast 50% of total assets of the company should be financial assets and atleast 50% of the gross income should be from financial activities. The company meets the first criteria, but does not meets the second criteria as on March 31, 2023. However, the RBI vide letter dated July 22, 2022 has granted to the company, time till March 31, 2024 for fulfilling the said criteria as disclosed in note no. 43B to the financial statements.
- b) The Company has conducted Non-Banking Financial activities during the year having a Certificate of Registration under section 45-IA of the Reserve Bank of India Act 1934.
- c) The Company is not a Core Investment Company as defined in the regulations made by the Reserve Bank of India. Accordingly, paragraph 3(xvi)(c) of the Order is not applicable.
- d) As per the information and explanation provided to us by the company, 2 companies in the group are in the process of registration as Core Investment Company under the Reserve Bank of India Act and an application regarding the same has been submitted with the RBI on March 28, 2023.

(xvii) Cash Losses

The Company has not incurred any cash losses during the current financial year. However, cash losses were incurred during the immediately preceding financial year amounting to Rs. 20.51 Crores.

(xviii) Resignation of Statutory Auditor

There has been no resignation of Statutory Auditors of the Company during the year. Hence the reporting under clause 3(xviii) of the Order is not applicable to the company.

(xix) Material Uncertainty about the Company's Capability to discharge its liabilities

On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors' and Management's plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one



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year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) Corporate Social Responsibility

- a) The provisions of the section 135 of the Companies Act, 2013 are not applicable to the company during the current financial year. Accordingly, reporting under clause 3(xx) of the Order is not applicable.

(xxi) Qualification or Adverse Remarks by the respective auditors

Since the company is not required to prepare Consolidated Financial Statements, the reporting under this clause is not applicable to the company.

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



Jatin Goel
Partner

Membership No.: 553420

UDIN - 23553420B A.T.Z.M. 5350

Place: Gurugram

Date: April 22, 2023

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Annexure B to the Independent Auditors' Report of even date to the members of Satin Finserv Limited on the financial statements for the year ended March 31, 2023

Independent Auditors' Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the financial statements of Satin Finserv Limited ('the Company') as at and for the year ended March 31, 2023, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Company as at that date.

Management's Responsibility for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's IFCoFR.



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Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's IFCoFR include those policies and procedures that

(1) pertains to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and Directors of the Company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the IFCoFR to future periods are subject to the risk that the IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at March 31, 2023, based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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



Jatin Goel

Partner

Membership No.: 553420

UDIN - 23553420 BGTZMI 5350

Place: Gurugram

Date: April 22, 2023

Satin Finserv Limited

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2023

1. Company Overview / Corporate Information

Satin Finserv Limited ('the Company') is a public limited company and incorporated on August 10, 2018, under the provisions of Companies Act. The Company is a non-deposit accepting Non-Banking Financial Company ('NBFC-ND') and is registered as a Non-Banking Financial Company ('NBFC') with the Reserve Bank of India ('RBI') in January 09, 2019. The main objective of the Company to carry on the business of Non-Banking Financial Company and to undertake business relating to financing. The Company is also engaged in the business of "Business Correspondent" activity with various Banks and NBFCs. As per Reserve Bank of India ('RBI'), scope of activity of Business Correspondent services includes Identification of Borrowers, collection and preliminary processing of loan applications including verification of primary information, processing and submission of applications to banks, promoting, nurturing and monitoring of Self Help Groups/Joint Liability Groups, post-sanction monitoring, follow-up for recovery, disbursement of small value credit and recovery of principal/collection of interest. The Company is domiciled in India and its registered office & corporate office is situated at 4th Floor, B-Wing, Plot No. 492, Udyog Vihar, Phase-III, Gurugram, Haryana - 122016.

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, 2023 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, 2023 were authorized and approved for issue by the Board of Directors on April 22, 2023.

(ii) Historical cost convention

The financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India. Further, the financial statements have been prepared on 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. These were used throughout all periods presented in the financial statements, except where the Company has applied certain accounting policies and exemptions upon transition to Ind AS.

a) Property, plant and equipment

Recognition and initial measurement

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



Satin Finserv Limited

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2023

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
Vehicles	8 years
Plant and machinery	6 - 15 years

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

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

De-recognition

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

Capital work-in-progress

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

b) Intangible assets

Recognition and initial measurement

Intangible assets are stated at their cost of acquisition. The cost comprises purchase price including any import duties and other taxes (other than those subsequently recoverable from taxation authorities), borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

Subsequent measurement (amortisation)

Intangible assets are amortised over a period of 3 years from the date when the assets are available for use. The estimated useful life (amortisation period) of the intangible assets is arrived basis the expected pattern of consumption of economic benefits and is reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

c) Revenue recognition

Interest, administration and other charges (for loans)

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

Commission income

Income from business correspondent services is recognised as and when the services are rendered as per agreed terms and conditions of the contract.



Satin Finserv Limited

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2023

Dividend income

Dividend income is recognised at the time when the right to receive is established by the reporting date.

Other Charges related to Operation

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

Miscellaneous income

All other income is recognized on an accrual basis, when there is no uncertainty in the ultimate realization/collection.

d) Borrowing costs

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

e) Taxation

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

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

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

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

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

f) Employee benefits

Short-term employee benefits

Short-term employee benefits including salaries, short term compensated absences (such as a paid annual leave) where the absences are expected to occur within twelve months after the end of the period in which the employees render the related service, profit sharing and bonuses payable within twelve months after the end of the period in which the



Satin Finserv Limited

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2023

employees render the related services and non-monetary benefits for current employees are estimated and measured on an undiscounted basis.

Post-employment benefit plans are classified into defined benefits plans and defined contribution plans as under:

Defined contribution plans

The Company has a defined contribution plans namely provident fund, pension fund and employees state insurance scheme. The contribution made by the Company in respect of these plans are charged to the Statement of Profit and Loss.

Defined benefit plans

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. Where in the employee will receive on retirement is defined by reference to employee's length of service and last drawn salary. Under the defined benefit plans, the amount that an employee will receive on retirement is defined by reference to the employee's length of service and final salary. The legal obligation for any benefits remains with the Company, even if plan assets for funding the defined benefit plan have been set aside. The liability recognised in the statement of financial position for defined benefit plans is the present value of the Defined Benefit Obligation (DBO) at the reporting date less the fair value of plan assets. Management estimates the DBO annually with the assistance of independent actuaries. Actuarial gains/losses resulting from re-measurements of the liability/asset are included in other comprehensive income.

Other long-term employee benefits

The Company also provides the benefit of compensated absences to its employees which are in the nature of long-term employee benefit plan. Liability in respect of compensated absences becoming due and expected to avail after one year from the Balance Sheet date is estimated in the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method as on the reporting date. Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged to statement of profit and loss in the year in which such gains or losses are determined.

g) Share based payments

Share based compensation benefits are provided to employees via Satin Creditcare Network Limited ('Parent Company') Employee Stock Option Plans (ESOPs). The employee benefits expense is measured using the fair value of the employee stock options and is recognised over vesting period with a corresponding increase in equity. The vesting period is the period over which all the specified vesting conditions are to be satisfied. On the exercise of the employee stock options, the employees of the Company will be allotted Parent Company's equity shares.

h) Impairment of non-financial assets

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

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

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



Satin Finserv Limited

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2023

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

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

i) Impairment of financial assets

Loan assets

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

- A financial instrument that is not credit-impaired on initial recognition is classified in 'Stage 1' and has its credit risk continuously monitored by the Company i.e. the default in repayment is within the range of 0 to 30 days.
- If a significant increase in credit risk ("SICR") since initial recognition is identified, the financial instrument is moved to 'Stage 2' but is not yet deemed to be credit-impaired i.e. the default in repayment is within the range of 31 to 90 days.
- If the financial instrument is credit-impaired, the financial instrument is then moved to 'Stage 3' i.e. the default in repayment is more than 90 days.

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

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

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

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

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

Other financial assets

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

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



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Summary of significant accounting policies and other explanatory information for the year ended March 31, 2023

asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

j) Cash and cash equivalents

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

Cash Flow Statement

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

k) Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period, which includes any option to extend or terminate the lease, if the use of such option is assessed on the expected lease term on a lease-by-lease basis and the Company considers factors such as any significant leasehold improvements under termination of the lease and the importance of the underlying asset to the location of the underlying asset and the availability of suitable alternative assets. The lease term is reassessed to ensure that the lease term reflects the current economic future economic conditions, the Company has concluded that no changes are required 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. If 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 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 plus any



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Summary of significant accounting policies and other explanatory information for the year ended March 31, 2023

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

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

i) Impairment of financial assets

Loan assets

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

- A financial instrument that is not credit-impaired on initial recognition is classified in 'Stage 1' and has its credit risk continuously monitored by the Company i.e. the default in repayment is within the range of 0 to 30 days.
- If a significant increase in credit risk ("SICR") since initial recognition is identified, the financial instrument is moved to 'Stage 2' but is not yet deemed to be credit-impaired i.e. the default in repayment is within the range of 31 to 90 days.
- If the financial instrument is credit-impaired, the financial instrument is then moved to 'Stage 3' i.e. the default in repayment is more than 90 days.

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

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

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

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

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

Other financial assets

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

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



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Summary of significant accounting policies and other explanatory information for the year ended March 31, 2023

asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

j) Cash and cash equivalents

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

Cash Flow Statement

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

k) Leases

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

The Company as a lessee

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

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

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

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

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any



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Summary of significant accounting policies and other explanatory information for the year ended March 31, 2023

lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

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

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

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

The Company as a lessor

The company does not have any leases as a lessor.

Transition

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the prospective method and has recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and corresponding right of use asset at the same value. Due to the prospective method applied, the comparatives as at and for the year ended March 31, 2019 will continue to be reported under the accounting policies included as part of our financial statements for year ended March 31, 2019.

Leases in which the lessor does not transfer substantially all the risks and rewards of ownership of an asset to the lessee are classified as operating leases. Lease rental are charged to statement of profit and loss on straight line basis except where scheduled increase in rent compensates the lessor for expected inflationary costs.

l) Provisions, contingent assets and contingent liabilities

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

Contingent liability is disclosed for:

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

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

m) Financial instruments

Initial recognition and measurement

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



Satin Finserv Limited

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2023

Non-derivative financial assets

Subsequent measurement

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

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

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

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

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

Impairment of financial assets

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

De-recognition of financial assets

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

Non-derivative financial liabilities

Subsequent measurement

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

De-recognition of financial liabilities

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

Offsetting of financial instruments



Satin Finserv Limited

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2023

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

n) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss (interest and other finance cost associated) for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

o) Segment reporting

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

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

p) Share issue expenses

All the expenses pertaining to issue of equity share capital are adjusted against the Securities Premium Account to the extent any balance is available for utilisation in securities premium account.

q) Guarantee contracts

First loss default guarantee contracts are contracts that require the Company to make specified payments to reimburse the bank and financial institution for a loss, it incurs because a specified customer fails to make payments when due, in accordance with the terms of a loan contracts or due to negligence or deficiency of service or non-observance, by the Company, of stipulations and conditions contained in the agreement with respective business partners. Such guarantees are given to banks and financial institutions, for whom the Company acts as 'Business Correspondent'.

On each reporting date, liabilities against these guarantee contracts are measured and recognised in books as per the terms of agreements and any subsequent mutual consent with respective business partners.

Further, the maximum liability against these guarantee contracts are restricted to the cash outflow agreed in the agreements with respective business partners.



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Summary of significant accounting policies and other explanatory information for the year ended March 31, 2023

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

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

Significant management judgements

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

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

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

- Determining criteria for significant increase in credit risk;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and
- Establishing groups of similar financial assets for the purposes of measuring ECL.

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

Significant estimates

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

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

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



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SATIN FINSERV LIMITED**Balance Sheet as at March 31, 2023**

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

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
Financial assets			
Cash and cash equivalents	4	3,878.47	2,537.76
Bank balances other than cash and cash equivalents	5	3,161.44	4,276.24
Trade receivables	6	298.33	36.69
Loans	7	22,126.34	16,182.79
Other financial assets	8	690.08	902.93
		30,154.66	23,936.41
Non Financial assets			
Current tax assets (net)	9	996.78	821.87
Deferred tax assets (net)	10	1,123.55	1,218.65
Property, Plant and Equipment	11	299.12	351.24
Intangible assets	12	4.70	5.88
Other non financial assets	13	340.04	273.96
		2,764.19	2,671.60
TOTAL		32,918.85	26,608.01
LIABILITIES AND EQUITY			
Financial Liabilities			
Payables			
Trade payables	14		
total outstanding dues of MSMEs		10.42	10.42
total outstanding dues of creditors other than MSMEs		279.61	235.67
Debt securities	15	553.09	550.38
Borrowings (other than debt securities)	16	16,401.48	10,822.07
Other financial liabilities	17	271.49	228.62
		17,516.09	11,847.16
Non Financial Liabilities			
Provisions	18	1,527.57	1,482.67
Other non-financial liabilities	19	107.67	108.76
		1,635.24	1,591.43
EQUITY			
Equity share capital	20	14,051.49	10,250.00
Other equity	21	(283.97)	2,919.42
		13,767.52	13,169.42
TOTAL EQUITY AND LIABILITIES		32,918.85	26,608.01

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

As per our review report of even date attached

For Rajeev Bhatia & Associates

Chartered Accountants

Firm's Registration No. 82177628


Jatin Goel
Partner
M.No. 553420



For and on behalf of the Board of Directors of

Satin Finserv Limited


Sumit Mukherjee
DIN: 08369056
WTD & CEO
Place : Gurugram


Arjun Bansal

Chief Financial Officer
Place : Gurugram
Date: April, 22 2023


Harvinder Pal Singh
DIN: 00333754
Director
Place : Gurugram


Preet Jolly
Mem No: 43608
Company Secretary
Place : Gurugram



Place: Gurugram
Date: April, 22 2023

SATIN FINSERV LIMITED
Statement of Profit and Loss for the period ended March 31, 2023

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

Particulars	Notes	For the period ended March 31, 2023	For the year ended March 31, 2022
Revenue from operations			
Interest income	22	4,165.78	2,902.24
Fees and commission income	23	6,382.43	6,484.87
Net gain on fair value changes	24	0.19	-
Total revenue from operations		10,548.41	9,387.11
Other income	25	102.28	323.55
Total income		10,650.69	9,710.66
Expenses:			
Finance costs	26	1,849.57	1,250.68
Impairment on financial instruments	27	378.05	414.94
Employee benefits expense	28	5,334.77	5,686.62
Depreciation and amortization expense	29	174.89	204.99
Other expenses	30	2,092.01	4,850.99
Total expenses		9,829.29	12,408.22
Profit / (loss) before exceptional items and tax		821.40	(2,697.56)
Exceptional items		-	-
Profit / (loss) before tax		821.40	(2,697.56)
Prior period items			
Tax expense			
Current tax		116.85	-
Mat credit utilization/ (entitlement) (net)		(116.85)	-
Deferred tax expense/(credit)		215.09	(687.88)
Earlier years tax		0.01	-
Total tax expense		215.10	(687.88)
Net profit/(loss) for the period		606.30	(2,009.68)
Other comprehensive income			
Item that will not be reclassified to profit or loss			
Re-measurement gains/(losses) on defined benefit plans		(11.36)	8.65
Income tax relating to these items		3.16	(2.41)
Other comprehensive income/(loss) for the period		(8.20)	6.24
Total comprehensive income / (loss) for the period		598.10	(2,003.44)
Earnings per share (basic and diluted) (in Rs.)	31		
Basic (Rs.)		0.43	(1.43)
Diluted (Rs.)		0.43	(1.43)

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

As per our review report of even date attached

For Rajeev Bhatia & Associates.

Chartered Accountants

Firm's Registration No.: 0217761


 Rajat Goel
Partner
M.No. 553420

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

 Sumit Mukherjee
DIN: 08369056
WTD & CEO
Place : Gurugram

 Arjun Bansal
Chief Financial Officer
Place : Gurugram
Date: April, 22 2023

 Harvinder Pal Singh
DIN: 00333754
Director
Place : Gurugram

 Punit Jolly
Mem No: 43608
Company Secretary
Place: Gurugram

 Place: Gurugram
Date: April, 22 2023

SATIN FINSERV LIMITED

Cash flow statement for the period ended March 31, 2023

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

Particulars	For the period ended March 31, 2023	For the period ended March 31, 2022
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before tax	821.40	(2,714.66)
Adjustments for:		
Provision for expected credit losses	21.25	317.34
Provision for employee benefits	(3.96)	(57.10)
Depreciation and amortisation expense	82.42	96.67
Depreciation of ROU assets	92.47	108.33
Loss/(gain) on disposal of tangible assets	-	(2.75)
Interest paid on borrowings	1,725.62	1,151.80
Operating Profit/(loss) Before Working Capital Changes	2,739.20	(1,100.37)
<u>Changes in working capital:</u>		
Adjustments for (increase)/decrease in operating assets:		
Trade receivables	(261.64)	430.23
Other bank balances	1,114.80	580.36
Financial Assets	(5,964.80)	(3,639.30)
Other financial assets	212.86	(162.75)
Other non financial assets	(66.08)	(38.96)
Adjustments for (increase)/decrease in operating liabilities:		
Trade payables	43.94	(440.84)
Other financial liabilities	42.87	(62.39)
Other non financial liabilities	(1.09)	6.04
Provisions	37.50	406.36
Movement in operating assets and liabilities	(4,841.64)	(2,921.25)
Cash generated from operations	(2,102.44)	(4,021.62)
Less: Income tax refund / (paid) (net)	(291.75)	(16.90)
Net cash flow/(used) in operating activities (A)	(2,394.19)	(4,038.52)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(162.70)	(243.56)
Sale of property, plant and equipment	41.10	14.32
Net cash used in investing activities (B)	(121.60)	(229.24)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of borrowings	(5,834.55)	(2,981.33)
Proceeds from borrowings	11,465.50	8,555.29
Interest paid on borrowings	(1,725.62)	(1,151.80)
Payment of lease liabilities	(48.83)	(89.39)
Net cash flow from financing activities (C)	3,856.50	4,332.77
Net (Decrease)/Increase in cash and cash equivalents (A+B+C)	1,340.71	65.01
Cash and cash equivalents at the beginning of the year	2,537.76	2,472.75
Cash and cash equivalents at the end of the year	3,878.47	2,537.76
Reconciliation of cash and cash equivalents as per the cash flow statement	1,340.71	65.01

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

For Rajeev Bhatia & Associates
Chartered Accountants
Firm's Registration No.: 021706N



Place: Gurugram
Date: April, 22 2023

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

Sumit Mukherjee
DIN: 08369056
WTD & CEO
Place: Gurugram
Arjun Bansal

Chief Financial Officer
Place: Gurugram
Date: April, 22 2023

Harvinder Pal Singh
DIN: 00333754
Director
Place: Gurugram

Puneet Jolly
Mem No: 43608
Company Secretary
Place: Gurugram



SATIN FINSERV LIMITED
Statement of changes in equity for the period ended March 31, 2023
(All amounts in ₹ in lakhs, unless stated otherwise)

A Equity share capital

Current reporting period

Particulars	Balance as at April 1, 2022	Changes in Equity Share Capital due to prior period errors	Restated Balance as at April 1, 2022	Change in equity share capital during the year	Balance as at March 31, 2023
Equity Share Capital	10,250.00		10,250.00	3,801.49	14,051.49

Previous reporting period

Particulars	Balance as at April 1, 2021	Changes in Equity Share Capital due to prior period errors	Balance as at April 1, 2021	Change in equity share capital during the year	Balance as at March 31, 2022
Equity Share Capital	10,250.00		10,250.00	-	10,250.00

B Other equity

Particulars	Reserves and surplus					Total
	Statutory reserves	Securities premium	Share capital pending allotment*	Capital redemption reserve	Retained earnings	
Balance as at April 1, 2021	108.88	-	3,801.49	-	287.26	4,922.86
Profit/(Loss) for the year	-	-	-	-	(2,009.68)	(2,009.68)
Other comprehensive income (net of tax)	-	-	-	-	6.24	6.24
Issue of equity shares	-	-	-	-	-	-
Transfer to statutory reserves	36.63	-	-	-	(36.63)	-
Balance as at April 01, 2022	145.51	-	3,801.49	-	(1,752.81)	2,919.42
Profit/(Loss) for the year	-	-	-	-	606.30	606.30
Other comprehensive income (net of tax)	-	-	(3,801.49)	-	(8.20)	(8.20)
Issue of equity shares	-	-	-	-	-	-
Transfer to statutory reserves	164.28	-	-	-	(164.28)	-
Balance as at March 31, 2023	309.79	-	-	-	(1,318.99)	(283.97)

* Refer note 21

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

For Rajeev Bhatia & Associates.

Chartered Accountants

Firm's Registration No.: 02177614

Jatin Goel
Partner

M.No. 553420

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

Sumit Mukherjee
DIN: 08369056
WTD & CEO

Place : Gurugram

Arjun Bansal

Place : Gurugram

Place : Gurugram

Place : Gurugram

Place : Gurugram

Place : Gurugram

Place : Gurugram

Place : Gurugram

Place : Gurugram



Harvinder Pal Singh
DIN: 00333754
Director

Place : Gurugram

Place : Gurugram

Place : Gurugram

Place : Gurugram

Place : Gurugram

Place : Gurugram

Place : Gurugram

Place : Gurugram

Place : Gurugram

Place : Gurugram

Mem No: 43608

Company Secretary

Place : Gurugram

Place : Gurugram

Place : Gurugram

Place : Gurugram

Place: Gurugram

Date: April, 22 2023

SATIN FINSERV LIMITED
Notes to the financial statements for the period ended March 31, 2023

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

Note 4: Cash and cash equivalents

Particulars	As at March 31, 2023	As at March 31, 2022
Balance with banks in current accounts	2,046.94	737.83
Cash in hand	678.76	620.20
Deposits with original maturity of less than 3 months	1,152.77	1,179.73
Total of cash and cash equivalents	3,878.47	2,537.76

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

Note 5: Bank balances other than cash and cash equivalents

Particulars	As at March 31, 2023	As at March 31, 2022
Term deposits for remaining maturity of 3 months or less	-	200.76
Term deposits with remaining maturity more than 3 months but less than 12 months	50.03	-
Term deposits having remaining maturity of more than 1 year	-	-
Balance with banks and financial institutions to the extent held as margin money deposits against borrowings and guarantees/against first loss/second loss default guarantees	3,111.41	4,075.48
Total	3,161.44	4,276.24

Note 6: Trade receivables (at amortised cost)

Particulars	As at March 31, 2023	As at March 31, 2022
Trade Receivables		
Receivables considered good - unsecured	298.33	36.69
Less: Provision for impairment on trade receivables	-	-
	298.33	36.69
(II) Other Receivables		
Other Receivables	-	-
Less: Provision for Impairment on other receivables	-	-
	-	-
Total	298.33	36.69

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

Note 7: Loan portfolio (at amortised cost)

Particulars	As at March 31, 2023	As at March 31, 2022
Portfolio loans		
Secured	17,295.42	10,693.06
Unsecured	5,407.60	6,045.16
Less: Impairment loss allowance	(576.68)	(555.43)
	22,126.34	16,182.79
Total	22,126.34	16,182.79
(i) Secured by book debts, margin money and property plant and equipments	17,295.42	10,693.06
(ii) Covered by bank/government guarantees	-	-
(iii) Unsecured	5,407.60	6,045.16
Total - Gross	22,703.02	16,738.22
Less: Impairment loss allowance	(576.68)	(555.43)
Total - Net	22,126.34	16,182.79
Loans in India		
(i) Public Sector	-	-
(ii) Others	22,703.02	16,738.22
Total - Gross	22,703.02	16,738.22
Less: Impairment loss allowance	(576.68)	(555.43)
Total - Net	22,126.34	16,182.79

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

Particulars		
Interest accrued	341.56	202.85
Unamortised loan processing fee	284.68	147.31

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



SATIN FINSERV LIMITED
Notes to the financial statements for the period ended March 31, 2023

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

Note 8: Other financial assets (at amortised cost)

Particulars	As at March 31, 2023	As at March 31, 2022
Security deposits (unsecured, considered good)	20.13	138.36
Staff advance and other recoverable	45.77	42.93
Other recoverable	244.55	-
Unbilled revenue	370.63	721.64
	690.08	902.93

Note 9: Current tax assets (net)

Particulars	As at March 31, 2023	As at March 31, 2022
Advance income-tax and TDS receivable	996.78	821.87
	996.78	821.87

Note 10: Deferred tax assets (net)

Particulars	As at March 31, 2023	As at March 31, 2022
Tax effect of items constituting deferred tax assets:		
(a) Provision for Employee benefits	33.46	41.15
(b) Depreciation and amortisation	29.56	29.03
(c) Carried Forward Losses	305.71	524.10
(e) Impact of IndAs 116	2.87	4.98
(f) Allowance for expected credit loss	535.29	522.11
(g) Minimum alternate tax credit entitlement	222.45	105.60
(h) Measurement of financial assets and financial liabilities at amortised cost	0.12	0.34
(i) Preliminary expenses	-	0.25
	1,129.46	1,227.56
Tax effect of items constituting deferred tax liabilities:		
(i) Provision for 36(1)(viiia)	5.91	8.91
	5.91	8.91
Deferred tax assets/(liabilities) (net)	1,123.55	1,218.65

Notes:
(i) Movement in deferred tax assets/(liabilities) for period ended March 31, 2023

Particulars	As at March 31, 2022	Recognised in other comprehensive income	Recognised in statement of profit and loss	As at March 31, 2023
Tax effect of items constituting deferred tax assets:				
(a) Provision for Employee benefits	41.15	3.16	(10.85)	33.46
(b) Depreciation and amortisation	29.03	-	0.53	29.56
(c) Carried Forward Losses	524.10	-	(218.39)	305.71
(d) Impact of IndAs 116	4.98	-	(2.11)	2.87
(e) Provision for first loss default guarantee	522.11	-	13.18	535.29
(f) Minimum alternate tax credit entitlement	105.60	-	116.85	222.45
(g) Measurement of financial assets and financial liabilities at amortised cost	0.34	-	(0.22)	0.12
(h) Others	-	-	-	-
(i) Preliminary expenses	0.25	-	(0.25)	-
	1,227.56	3.16	(101.26)	1,129.46
Tax effect of items constituting deferred tax liabilities:				
(i) Employee benefits	-	-	-	-
(j) Provision for 36(1)(viiia)	8.91	-	(3.00)	5.91
	8.91	-	(3.00)	5.91
Net deferred tax asset	1,218.65	3.16	(98.26)	1,123.55

(ii) Movement in deferred tax assets/(liabilities) for year ended March 31, 2022:

Particulars	As at March 31, 2021	Recognised in other comprehensive income	Recognised in statement of profit and loss	As at March 31, 2022
Tax effect of items constituting deferred tax assets:				
(a) Provision for Employee benefits	39.19	(2.41)	4.37	41.15
(b) Depreciation and amortisation	37.38	-	(8.35)	29.03
(c) Carried Forward Losses	26.08	-	498.02	524.10
(d) Impact of IndAs 116	2.26	-	2.72	4.98
(e) Allowance for expected credit loss	314.46	-	207.65	522.11
(f) Minimum alternate tax credit entitlement	105.60	-	(21.73)	105.60
(g) Measurement of financial assets and financial liabilities at amortised cost	22.07	-	-	0.34



SATIN FINSERV LIMITED**Notes to the financial statements for the period ended March 31, 2023**

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

(i) Preliminary expenses

0.45	-	(1.21)	0.25
547.49	(2.41)	682.48	1,227.56

Tax effect of items constituting deferred tax liabilities:

(i) Employee benefits

(i) Provision for 36(1)(viii)

9.66	-	(1.75)	8.91
9.66	-	(1.75)	8.91
537.83	(2.41)	683.23	1,218.65

Net deferred tax asset

SATIN FINSERV LIMITED
Notes to the financial statements for the period ended March 31, 2023

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

11 Property, plant and equipment

Gross Block	Computer equipment	Office Equipment	Furniture & Fixtures	Vehicle	Right of use asset ²	Total
Balance as at March 31, 2021	19.65	3.24	5.77	-	86.49	115.15
Acquired through business combination	322.14	69.34	116.16	-	248.74	756.38
Additions	91.23	9.68	5.47	14.30	122.88	243.56
Adjustments during the year	1.75	8.43	29.74	-	10.75	50.67
Balance as at March 31, 2022	431.27	73.83	97.66	14.30	447.36	1,064.42
Additions	29.75	10.54	29.99	13.22	79.20	162.70
Disposals	(88.58)	(4.82)	(6.10)	-	(68.53)	(168.03)
Balance as at March 31, 2023	372.48	79.50	121.55	27.52	458.03	1,059.08
Accumulated depreciation						
Balance as at March 31, 2021	10.37	0.82	2.19	-	17.40	30.78
Acquired through business combination	261.12	53.52	76.50	-	126.82	517.96
Depreciation charge for the year	69.67	10.24	12.16	3.13	108.33	203.53
Adjustment on account of disposals	(1.05)	(7.71)	(25.00)	-	(5.34)	(39.10)
Balance as at March 31, 2022	340.11	56.87	65.85	3.13	247.21	713.18
Depreciation charge for the period	56.75	8.08	9.64	6.78	92.47	173.72
Adjustment on account of disposals	(82.33)	(3.99)	(4.75)	-	(35.86)	(126.93)
Balance as at March 31, 2023	314.53	60.96	70.74	9.91	303.82	759.97
Net block						
Balance as at March 31, 2022	91.16	16.96	31.81	-	200.15	351.24
Balance as at March 31, 2023	57.95	18.54	50.81	17.61	154.21	299.12

Intangible assets

Gross Block	Software*	Total
Balance as at March 31, 2021	9.86	9.86
Acquired through business combination	20.46	20.46
Additions	-	-
Adjustments during the year	-	-
Balance as at March 31, 2022	30.32	30.32
Additions	-	-
Disposals	-	-
Balance as at March 31, 2023	30.32	30.32
Accumulated depreciation		
Balance as at March 31, 2021	2.51	2.51
Acquired through business combination	20.46	20.46
Depreciation charge	1.47	1.47
Disposals	-	-
Balance as at March 31, 2022	24.44	24.44
Depreciation charge	1.18	1.18
Disposals	-	-
Balance as at March 31, 2023	25.62	25.62
Net block		
Balance as at March 31, 2022	5.88	5.88
Balance as at March 31, 2023	4.70	4.70

* Operating system for computers.



SATIN FINSERV LIMITED
Notes to the financial statements for the period ended March 31, 2023

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

Note 13: Other non-financial assets

Particulars	As at March 31, 2023	As at March 31, 2022
Advances recoverable in cash or in kind or for value to be received	42.66	19.83
Balance with government authorities	-	22.16
Prepaid expenses	297.38	232.07
	340.04	273.96

Note 14: Trade payable

Particulars	As at March 31, 2023	As at March 31, 2022
Trade Payables		
(i) total outstanding dues of MSMEs	10.42	10.42
(ii) total outstanding dues of creditors other than MSMEs	279.61	235.67
	290.03	246.09
Other Payables		
(i) total outstanding dues of MSMEs	-	-
(ii) total outstanding dues of creditors other than MSMEs	-	-
	-	-
Total	290.03	246.09

Trade Payables ageing schedule as on 31st March, 2023

Particulars	Outstanding for following periods from due date of payment			
	Less than 1 year	1-2 years	2-3 Years	More than 3 years
(i) MSME	10.42	-	-	-
(ii) Others	271.67	5.47	1.94	0.54
(iii) Disputed dues – MSME	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-
(v) Unbilled dues	-	-	-	-
Total	282.09	5.47	1.94	0.54

Trade Payables ageing schedule as on 31st March, 2022

Particulars	Outstanding for following periods from due date of payment			
	Less than 1 year	1-2 years	2-3 Years	More than 3 years
(i) MSME	10.42	-	-	-
(ii) Others	205.59	20.92	8.79	0.36
(iii) Disputed dues – MSME	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-
(v) Unbilled dues	-	-	-	-
Total	216.01	20.92	8.79	0.36

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

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

Note 15: Debt securities (at amortised cost)

Particulars		As at March 31, 2023	As at March 31, 2022
Non-convertible debentures		553.09	550.38
		553.09	550.38
Debt securities in India		553.09	550.38
Debt securities outside India		-	-
		553.09	550.38
Unamortised Processing Fees		0.50	2.36
Accrued Interest		53.59	52.74
Particulars	Terms of Repayment	As at March 31, 2023	As at March 31, 2022
Non-convertible debentures (secured)			
50 (March 31, 2022: 50), @15.75% (Previous year : 15.50%), rated, unlisted, fully paid up, senior, secured, redeemable, taxable, non-convertible debentures of face value of ₹ 1,00,00,000 each. The date of allotment is June, 29, 2020. (Secured by way of hypothecation of first ranking, exclusive and continuing charge on book debt which shall be maintained at 110% of principal including interest accrued amount of the debentures outstanding.)	Redeemable at par on June 29, 2023	553.09	550.38



SATIN FINSERV LIMITED
Notes to the financial statements for the period ended March 31, 2023

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

Note 16: Borrowings (other than debt securities)

Particulars	As at March 31, 2023	As at March 31, 2022
Term loans from bank (At amortised Cost)		
Secured##	2,942.11	1929.27
Unsecured	-	0.17
Term loans from financial institutions(At amortised Cost)		
Secured##	9,940.15	5,104.93
Unsecured	-	19.65
Loan from related parties (unsecured)	3,350.00	3,550.00
Lease liability	169.22	218.05
	16,401.48	10,822.07
Borrowings in India	16,401.48	10,822.07
Borrowings outside India	-	-
	16,401.48	10,822.07
# Secured by way of Hypothecation of book debt to the extent of 125% of the value of the loan outstanding and Secured by way of Hypothecation of Vehicles. ##Secured by way of Hypothecation of book debt to the extent of 100% to 110% of the value of the loan outstanding. ###: There are no instances where the company has not used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date. ####Quarterly returns or statements filed by the company with banks or financial institutions are in agreement with the books of account.		
Unsecured term credit facility from bank includes credit card outstanding issued by RBI. bank. Loan from related parties includes loan from holding company which is a revolving credit facility against total sanctioned limit of Rs. 4,000 lakh. The same is unsecured, repayable on demand. The rate of interest is 13.75%.		
Unamortised Processing fees	125.31	85.25
Accrued Interest	50.08	22.30

Reconciliation of liabilities arising from financing activities

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

Particulars	Borrowings & Debt securities	Liability against leased assets	Total
March 31, 2021	5,685.03	202.87	5,887.89
Adoption of Ind AS 116	-	122.88	122.88
Cash flows:			
- Repayment	(3,126.65)	(127.45)	(3,254.10)
- Proceeds from overdraft facility	-	-	-
- Proceeds other than overdraft facility	8,664.80	-	8,664.80
- Others	(1.54)	-	(1.54)
Non cash:			
- Conversion of Optionally Convertible, Redeemable Preference Shares	-	-	-
- Foreign exchange	-	-	-
- Amortisation of upfront fees and others	(67.22)	-	(67.22)
- Others	-	19.75	19.75
March 31, 2022	11,154.41	218.05	11,372.47
Adoption of Ind AS 116	-	79.20	79.20
Cash flows:			
- Repayment	(5,834.55)	(108.91)	(5,943.46)
- Proceeds from overdraft facility	0.20	-	0.20
- Proceeds other than overdraft facility	11,465.30	-	11,465.30
- Others	28.63	-	28.63
Non cash:			
- Conversion of Optionally Convertible, Redeemable Preference Shares	-	-	-
- Foreign exchange	-	-	-
- Amortisation of upfront fees and others	(38.20)	-	(38.20)
- Others	9.56	(19.12)	(9.56)
March 31, 2023	16,785.35	169.22	16,954.56



SATIN FINSERV LIMITED
Notes to the financial statements for the period ended March 31, 2023

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

Note 16A: Terms of principal repayment of Debt Securities & Other Borrowings as at March 31, 2023

Original maturity of loan	Interest rate	Due within 1 year		Due between 1 to 2		Due between 2 to 3		Due beyond 3 Years		Total
		No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	
Monthly	Below 9.00% ^a	24	7.42	18	5.19	12	2.68	15	3.66	18.95
	9% ^a to 12% ^a	36	875.00	24	687.50	10	402.97	-	-	1,965.47
	12.01% ^a to 15% ^a	237	3,785.00	183	2,619.80	86	979.49	-	-	7,384.29
	Above 15% ^a	59	1,137.91	58	1,253.04	40	947.83	-	-	3,338.78
Quarterly	12.01% ^a to 15% ^a	4	166.67	2	83.33	-	-	-	-	250.00
Bullet	12.01% ^a to 15% ^a	-	-	-	-	-	-	2	3,350.00	3,350.00
	Above 15% ^a	1	500.00	-	-	-	-	-	-	500.00
Total		361	6,472.00	285	4,648.86	148	2,332.97	17	3,353.66	16,807.49

Terms of principal repayment of Debt Securities & Other Borrowings as at March 31, 2022

Original maturity of loan	Interest rate	Due within 1 year		Due between 1 to 2		Due between 2 to 3		Due beyond 3 Years		Total
		No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	
Monthly	Below 9.00% ^a	12	4.74	12	5.11	6	2.70	-	-	12.55
	9% ^a to 12% ^a	11	458.33	12	500.00	12	500.00	11	458.33	1,916.66
	12.01% ^a to 15% ^a	142	2,299.49	109	1,625.25	58	614.26	13	232.09	4,771.09
Quarterly	12.01% ^a to 15% ^a	4	166.67	4	166.67	2	83.33	0	-	416.67
Bullet	12.01% ^a to 15% ^a	-	-	0	-	0	-	2	3,550.00	3,550.00
	Above 15% ^a	-	-	1	500.00	-	-	-	-	500.00
Total		169	2,929.23	138	2,797.03	78	1,200.29	26	4,240.42	11,166.97



SATIN FINSERV LIMITED**Notes to the financial statements for the period ended March 31, 2023**

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

Note 17: Other financial liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Other payable	14.89	10.48
Expenses payable	256.60	151.77
Insurance Payable	-	3.90
Security deposit received from customers	-	62.47
Total	271.49	228.62

Note 18: Provisions

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for compensated absences	120.25	130.32
Provision for gratuity	59.87	31.04
Provision for first loss default guarantee	1,347.45	1,321.31
Total	1,527.57	1,482.67

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

Note 19: Other non-financial liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred income	-	1.58
Statutory dues payable	107.67	107.18
Total	107.67	108.76



SATIN FINSERV LIMITED
Notes to the financial statements for the period ended March 31, 2023

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

20 Equity share capital
Authorised equity share capital

140,514,900 (31 March 2022: 140,514,900) Equity shares of ₹10 each

Issued and subscribed

110,511,859 (31 March 2022: 110,511,859) Equity shares of ₹10 each

Paid up equity share capital

140,514,859 (31 March 2022: 102,500,000) Equity shares of ₹10 each

As at March 31, 2023	As at March 31, 2022
14,051.49	14,051.49
14,051.49	14,051.49
14,051.49	14,051.49
14,051.49	14,051.49
14,051.49	10,250.00
14,051.49	10,250.00

i) Rights, preferences and restrictions attached to equity shares:

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

The Authorised Share Capital, Issued and subscribed Share Capital is increased due to effect of Merger of Taraashna Financial Services Limited with Satin Finserv Limited as approved by NCLT Chandigarh Bench by order dated January 31, 2023 which has appointed date & effective date are April 01, 2021 & March 01, 2023 respectively. The paid-up share capital of the Company has been increased during the year as required under the scheme of arrangement approved by the NCLT Chandigarh Bench by order dated January 31, 2023 which has appointed date & effective date are April 01, 2021 & March 01, 2023 respectively.

ii) Reconciliation of equity shares outstanding at reporting year end date
Equity share capital of ₹ 10 each fully paid up

Balance at the beginning of the year

Add: Issued during the year

Balance at the end of the year

No. of shares	₹	No. of shares	₹
March 31, 2023		March 31, 2022	
10,25,00,000	10,250.00	10,25,00,000	10,250.00
3,80,14,859	3,801.49	-	-
14,05,14,859	14,051.49	10,25,00,000	10,250.00

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

	March 31, 2023			March 31, 2022		
	No. of shares	% holding	% change during the year	No. of shares	% holding	% change during the year
Equity share capital of Rs. 10 each fully paid up						
Satin Creditcare Network Limited	14,05,14,859	100.00%	0.00%	10,25,00,000	100.00%	0.00%
	14,05,14,859	100.00%	0.00%	10,25,00,000	100.00%	0.00%

iv) Shareholders holding more than 5% of shares of the Company as at balance sheet date:
Equity share capital of Rs. 10 each fully paid up

Satin Creditcare Network Limited

	March 31, 2023		March 31, 2022	
	No. of shares	% holding	No. of shares	% holding
	14,05,14,859	100.00%	10,25,00,000	100.00%
	14,05,14,859	100.00%	10,25,00,000	100.00%

v) The Company has neither issued equity shares pursuant to contract without payment being received in cash or any bonus shares nor has there been any buy-back of shares in the current year and five years immediately preceding the balance sheet date except pursuant to scheme of amalgamation as mentioned above.


SATIN FINSERV LIMITED**Notes to the financial statements for the period ended March 31, 2023**

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

21 Other equity

	As at March 31, 2023	As at March 31, 2022
Retained earnings	(1,318.99)	(1,752.82)
Statutory reserves @	309.79	145.51
Amalgamation reserve#	725.23	725.23
Share capital pending allotment#	-	3,801.49
Total Other Equity	(283.97)	2,919.42

@ 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.

The Hon'ble NCLT in its hearing dated January 31, 2023 has approved the Scheme of Arrangement for Amalgamation of TFSL and SFL. After requisite filing with concerned ROC, the said Scheme got effective from March 01, 2023. The Appointed Date of Scheme is April 01, 2021. By the effect of Appointed Date (i.e. April 01, 2021), the financial numbers of Satin Finserv Limited for the financial year ended March 31, 2022 are also restated due to amalgamation of Taraashna Financial Services Limited (transferor) with Satin Finserv Limited (transferee)."

The Transferee Company has issued its shares to the shareholders of Transferor Company in consideration for amalgamation of Transferor Company with Transferee Company shares in proportion of 237 (Two Hundred Thirty Seven) Equity Shares of Face Value of Rs. 10 (Rupees Ten) only each in Transferee Company for every 100 (One Hundred) Equity shares of face value of Rs. 10/- (Rupees Ten) only each held by them in "Transferor Company-" pursuant to this Scheme of Amalgamation.

Particulars	Amount (Rs. In lac)
Net assets received	4,526.71
Equity share capital (as per approved scheme)	3,801.49
Amalgamation Reserve	725.23



SATIN FINSERV LIMITED
Notes to the financial statements for the period ended March 31, 2023

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

Note 22: Interest Income (measured at amortised cost)

Particulars	For the period ended March 31, 2023	For the year ended March 31, 2022
Interest income on portfolio loans	3,874.10	2,565.28
Interest income on deposits, certificate of deposits and commercial papers	291.68	336.96
Net gain/(loss) on liquid funds	-	-
Other Interest Income		
Interest Income on Security Deposits	-	-
Interest Income on refund of Security Deposits	-	-
	4,165.78	2,902.24

Note 23: Fees and commission income

Particulars	For the period ended March 31, 2023	For the year ended March 31, 2022
Income from business correspondents operations	6,160.56	6,393.86
Documentation charges	130.44	49.96
Login fee Income	91.43	41.05
	6,382.43	6,484.87

Note 24: Net gain on fair value changes

Particulars	For the period ended March 31, 2023	For the year ended March 31, 2022
Net gain/ (loss) on financial instruments at fair value through profit or loss		
- Mutual Funds	0.19	-
Total Net gain/(loss) on fair value changes	0.19	-
Fair Value Changes:		
-Realised	0.19	-
Total Net gain/(loss) on fair value changes	0.19	-

Note 25: Other Income

Particulars	For the period ended March 31, 2023	For the year ended March 31, 2022
Miscellaneous income	77.64	297.46
Reversal of shares based payments (ESOP)	-	5.76
Interest income on security deposits	0.72	1.50
Net gain on derecognition of property, plant and equipment	7.00	2.75
Foreclosure charges received	16.92	16.08
	102.28	323.55



SATIN FINSERV LIMITED
Notes to the financial statements for the period ended March 31, 2023

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

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

Particulars	For the period ended March 31, 2023	For the year ended March 31, 2022
Interest on borrowings		
Interest on borrowings other than debt securities	1,449.28	1,040.09
Interest on debt securities	78.45	77.50
Interest on borrowings from bank	222.57	62.92
Other interest expenses	78.99	46.33
Interest expense on lease liability	19.69	23.84
Interest on taxes	0.59	-
	1,849.57	1,250.68

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

Particulars	For the period ended March 31, 2023	For the year ended March 31, 2022
Allowance for expected credit loss	21.25	317.34
Portfolio loans written off	356.80	97.60
	378.05	414.94

Note 28: Employee benefit expenses

Particulars	For the period ended March 31, 2023	For the year ended March 31, 2022
Salaries, wages and bonus	4,851.39	5,137.73
Contribution to provident and other funds	435.62	508.68
Staff welfare expenses	47.76	40.21
	5,334.77	5,686.62

Note 29: Depreciation and amortization expense

Particulars	For the period ended March 31, 2023	For the year ended March 31, 2022
Depreciation on property, plant and equipment	81.24	95.19
Amortisation on intangible assets	1.18	1.47
Amortisation on right of use assets	92.47	108.33
	174.89	204.99



SATIN FINSERV LIMITED
Notes to the financial statements for the period ended March 31, 2023

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

Note 30: Other expenses

Particulars	For the period ended March 31, 2023	For the year ended March 31, 2022
Bank charges	5.35	1.69
Rent	179.37	185.08
Travelling and conveyance	181.52	140.32
Repair and maintainance	17.28	17.60
Printing and stationery	77.64	80.79
Communication cost	79.60	68.19
Insurance charges	68.12	83.05
Website and email maintainance charges	167.00	147.05
Rates and taxes	110.34	91.16
Electricity charges	37.23	36.17
Freight and cartage	-	-
Auditor's remuneration*	20.93	22.83
Business promotion	5.46	4.63
Commission paid**	48.30	17.88
Legal and professional charges	191.35	151.59
CSR expenditure	-	7.42
Director sitting fees	4.25	4.91
Balance write off	37.86	12.18
Office expenses	130.90	168.72
Write off against first loss default guarantee	671.94	2,929.82
First loss default guarantee expenses	26.14	406.35
Postage & courier	24.94	28.32
Miscellaneous expenses	6.49	17.85
Full & final settlement with BC partner	-	227.39
	2,092.01	4,850.99

Note*: Auditors remuneration includes payments as follows:

(a) Statutory audit	9.00	10.00
(b) Tax audit	3.00	5.00
(c) Certification fee and other services	8.93	7.83
Total	20.93	22.83

** It includes Foreign Currency payment

13.56



SATIN FINSERV LIMITED
Notes to the financial statements for the period ended March 31, 2023

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

Note 31: Earning per Share

	For the year ended March 31, 2023	For the year ended March 31, 2022
Net profit/(Loss) for the year	606.30	(2,009.68)
Weighted average number of equity shares for EPS	14,05,14,859	14,05,14,859
Par value per share (in RS.)	10	10
Basic Earnings per share (in RS.)	0.43	(1.43)
Nominal value of equity share (₹)	10.00	10.00
Weighted average number of equity shares used to compute diluted earnings per share	14,05,14,859	14,05,14,859
Diluted Earnings per share (in RS.)	0.43	(1.43)

Note 32: Tax Expense

Current tax (including taxes earlier years)	116.86	-
Minimum alternate tax credit entitlement	(116.85)	-
Deferred tax expense/(credit)	215.09	(687.88)
	215.10	(687.88)

The major components of income tax expense and the reconciliation of expense based on the domestic effective tax rate of at 27.82% and the reported tax expense in profit or loss are as follows:

Accounting profit before income tax	821.40	(2,697.56)
At country's statutory income tax rate of 27.82% (March 31, 2023: 27.82%)	228.51	(750.46)
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense		
(i) Tax impact of expenses which is non deductible	0.03	1.03
(ii) Tax impact on items exempt under income tax	-	-
(iii) Impact of difference in tax rate on certain items	0.01	-
(iv) Preliminary expenses allowed	0.25	0.25
(v) Others	(13.71)	61.30
	215.10	(687.88)

Note 33: Leases

The Company has taken various office premises under lease arrangements. Generally, the lease term varies from 11 months to 60 months and is renewable under mutually agreed terms between lessee and lessor and there is no exclusive right to the company. The company has considered leases having initial lease term of upto 12 months as short term leases as per para 6 of Ind AS 116 and their expenses have been recognised as Rent under note 30. For all other leases having lease term of more than 12 months a right of use asset is recognised with a corresponding lease liability. The right of use asset is disclosed under Property, Plant and Equipment and lease liability is disclosed under Borrowings. Further disclosures as on March 31, 2023 are as follows:

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

Particulars	Right of use asset Office Premises	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Total number of leases	184	175
Number of leases considered as short term leases	135	114
No. of right-of use assets leased	49	61
Range of remaining term	Upto 55 months	Upto 34 months
Average remaining lease term	8 months	9 months
No. of leases with extension options	0	8
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	184	175

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

Particulars	Right of use asset Office Premises
Carrying amount as on March 31, 2022	200.15
Addition	79.20
Depreciation	92.47
Deletion	32.67
Carrying amount as on March 31, 2023	154.22

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

Particulars	March 31, 2023	March 31, 2022
Current	68.56	91.00
Non-current	100.67	127.05
Total	169.22	218.05



- 4 At 31 March 2023 the Company do not have any committed leases which had not yet commenced.
- 5 The undiscounted maturity analysis of lease liabilities at 31 March 2023 is as follows:

Particulars	Lease payments	Finance charges	Net present values
Within 1 year	84.52	15.97	68.55
1-2 years	56.62	9.40	47.22
2-3 years	33.18	4.81	28.37
3-4 years	17.66	2.26	15.40
4-5 years	10.27	0.59	9.68
Total	202.26	33.04	169.22

The undiscounted maturity analysis of lease liabilities at 31 March 2022 is as follows:

Particulars	Lease payments	Finance charges	Net present values
Within 1 year	109.13	18.13	91.00
1-2 years	76.07	9.83	66.24
2-3 years	66.16	5.33	60.81
Total	251.36	33.31	218.05

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

The expense relating to payments not included in the measurement of the lease liability is as follows:

6 Operating leases

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

Office premises

Particulars	March 31, 2023	March 31, 2022
Short term leases	179.37	186.34
Leases of low value assets	-	-
Variable lease payments	-	-
Total	179.37	186.34
Minimum lease obligations:		
- within one year	68.55	91.00
- Later than one year but not later than five years	100.67	127.03
- Later than five years	-	-

- 7 The Company had total cash outflows for leases of Rs. 287.5 lakh in March 31, 2023 (Rs. 308.79 lakh in March 31, 2022).

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

Particulars	March 31, 2023	March 31, 2022
Depreciation expense of right-of-use assets	92.47	107.02
Interest expense on lease liabilities	19.69	23.84
Expense relating to short-term leases (included in other expenses)	179.37	186.34
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	291.53	317.20

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

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

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

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

2023

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



2022

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

Note 34: Contingent Liabilities not provided for

No contingent liabilities as on 31st March 2023 (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 2022 (previous year Nil).

34.1 Estimates

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

34.2 Classification and measurement of financial assets and liabilities

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

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

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

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

Note 35: Asset Under Management

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

The institutionwise Assets Under Management in books of company for business correspondence activity as on March 31, 2023 are as follows:

Name of Partner	March 31, 2023		March 31, 2022	
	AUM	FDR balance for FLDG	AUM	FDR balance for FLDG
Yes Bank Ltd.#	16,741.90	-	30,758.22	1,024.43
RBL Bank Ltd.	12.02	108.03	3,111.95	107.54
Reliance Commercial Finance Ltd.	759.03	169.34	761.77	619.57
Indusind Bank Ltd.	-	-	0.51	-
Northern Arc Capital Ltd.	-	-	20.90	-
Federal Bank	2,127.36	96.61	149.85	-
IDFC First Bank Ltd.	10,874.44	1,312.25	22,537.60	1,311.05
Jana Small Finance Bank Ltd.	12,788.76	943.08	12,615.88	698.58
CSB Bank Ltd.*	2,296.95	132.40	2,405.34	112.21
	45,600.46	2,761.72	72,362.02	3,873.37

FDR balance includes accrued interest.

#FDR of YBL is in process of transfer in the name of Satin Finserv Limited.

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

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

Particulars	As at March 31, 2023	As at March 31, 2022
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	10.42	10.42
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
The amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-



SATIN FINSERV LIMITED
Notes to the financial statements for the period ended March 31, 2023

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

Note 37: Related party disclosures

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

a. List of related parties and disclosures:

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

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

Satin Neo Dimensions Pvt. Ltd.

Fellow subsidiary companies

Satin Housing Finance Limited

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. Partha Mukherjee	Director	-
Mr. Arjun Bansal	Chief Financial Officer	-
Mr. Rahul Garg*	Chief Financial Officer	-
Mr. Puneet Jolly	Company Secretary	-
Ms. Sneha Khanduja**	Company Secretary	-
Mr. Manoj Jasoria#	Company Secretary	-

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, 2023	For the period ended March 31, 2022
Mr. H P Singh	Personal Guarantee given	2,750.00	2,000.00
Satin Creditcare Network Limited	Share based payments	-	-5.76
	Facilitation charges Income	12.00	5.00
	Technology sharing services expense	128.59	128.59
	Payment of rent for office space sharing	45.56	21.52
	Interest Paid	506.40	392.74
	Inter corporate loan taken	1,850.00	1,950.00
	Loan Repaid	2,050.00	500.00
	Income from business correspondents operations	1,043.60	870.01
Satin Neo Dimensions Pvt. Ltd.	Interest income on loan	11.72	20.16
	Repayment received against loan	52.46	43.94
Mr. Sumit Mukherjee	Remuneration	105.60	96.92
Mr. Partha Mukherjee (till August 31, 2022)	Remuneration	17.50	39.69
Mr. Arjun Bansal	Remuneration	23.49	16.63
Mr. Rahul Garg* (till February 28, 2023)	Remuneration	21.08	18.06
Mr. Puneet Jolly	Remuneration	15.08	13.00
Ms. Sneha Khanduja** (w.e.f. July 29 2022 till February 28, 2023)	Remuneration	3.18	-
Mr. Manoj Kumar Jasoria# (till January 31, 2022)	Remuneration	-	7.94



SATIN FINSERV LIMITED**Notes to the financial statements for the period ended March 31, 2023**

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

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

Name of related party	Nature of transaction	As at March 31, 2023	As at March 31, 2022
Satin Creditcare Network Limited	Fees for corporate guarantee	4.24	6.12
	Unbilled revenue		115.04
	Inter corporate loan Payable	3,350.00	3,550.00
Satin Neo Dimensions Pvt. Ltd.	Inter corporate loan Receivable	39.33	91.79
	Accrued Interest Receivable	0.55	1.28

Note:

1. Mr. H. P Singh, director of the company has given personal guarantee for term loan taken from bank. Outstanding as of March 31, 2023 is Rs. 3,965.47 Lakh (Previous Year: 19,16.67 Lakh)

d. Key management personnel remuneration includes the following expenses:

	For the year ended	For the year ended
	March 31, 2023	March 31, 2022
Short-term employee benefits	185.93	197.50
Post-employment benefits	5.63	1.98
Other long term benefits	11.15	(4.06)
Total remuneration	202.71	195.42

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SATIN FINSERV LIMITED**Notes to the financial statements for the period ended March 31, 2023**

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

Note 38: Employee Benefits

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

Defined contribution plans**Provident fund**

The Company has made ₹ 443.52 lakhs (March 31, 2022 ₹ 508.38 lakhs) contribution in respect of provident fund and other funds.

Defined benefit plans**A Gratuity**

The Company has a defined benefit gratuity plan. Every employee is entitled to gratuity as per the provisions of the Payment of Gratuity Act, 1972. The liability of Gratuity is recognized on the basis of actuarial valuation. The scheme is funded by the Company and is managed partially by Life Insurance Corporation of India ("LIC") as we are in process of adding employees pursuant to scheme of amalgamation as mentioned in Note- 46

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, 2023	As at March 31, 2022
Present value of obligation	118.01	113.35
Fair value of plan assets	58.14	82.31
Net obligation recognised in balance sheet as provision	(59.87)	(31.04)

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

Particulars	As at March 31, 2023	As at March 31, 2022
Current service cost	44.75	28.02
Net interest cost / (income)	(4.71)	0.30
Interest cost on defined benefit obligation	-	0.75
Net impact on profit (before tax)	40.04	29.08
Actuarial (gain)/loss recognised during the year	11.36	(8.65)
Amount recognised in the statement of profit and loss and other comprehensive income	51.40	20.43



SATIN FINSERV LIMITED
Notes to the financial statements for the period ended March 31, 2023

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

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

Particulars	As at March 31, 2023	As at March 31, 2022
Present value of defined benefit obligation as at the beginning of year	113.36	118.15
Current service cost	44.75	28.02
Interest cost	1.28	7.99
Past service cost including curtailment gains/losses	-	(3.09)
Benefits paid	(52.74)	(57.59)
Actuarial loss/(gain) on obligation	-	-
Actuarial (gain)/loss on arising from change in demographic assumption	(1.95)	(0.85)
Actuarial (gain)/loss on arising from change in financial assumption	13.31	20.74
Actuarial (gain)/loss on arising from experience adjustment	-	-
Present value of defined benefit obligation as at the end of the year	118.01	113.36

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

Particulars	As at March 31, 2023	As at March 31, 2022
Funds managed by insurer	100%	100%
Total	100%	100%

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

Particulars	As at March 31, 2023	As at March 31, 2022
Fair value of plan assets at beginning of year	82.32	102.53
Actual return on plan assets	2.51	32.38
Employer's contribution	26.14	5.00
Benefits paid	(52.74)	(57.59)
Actuarial loss/(gain) on plan assets	-	-
Fair value of plan assets at the end of the year	58.23	82.32

(vi) Actuarial assumptions

Particulars	As at March 31, 2023	As at March 31, 2022
Discounting rate	7.39%	7.26%
Future salary increase	4.00%	4.00%
Retirement age (years)	60.00	60.00
Withdrawal rate	-	-
Up to 30 years	56.21%	56.21%
From 31 to 44 years	43.75%	43.75%
Above 44 years	50.00%	50.00%
Weighted average duration	1.36	1.36

Mortality rates inclusive of provision for disability -100% of IAM (2012-14)

Gratuity is payable to the employees on death or resignation or on retirement at the attainment of superannuation age. To provide for these eventualities, the Actuary has used Indian Assured Lives Mortality (2012-14) Ultimate table.



SATIN FINSERV LIMITED
Notes to the financial statements for the period ended March 31, 2023

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

(vii) Sensitivity analysis for gratuity liability

Particulars	As at March 31, 2023	As at March 31, 2022
Impact of the change in discount rate		
Present value of obligation at the end of the year	118.01	113.36
- Impact due to increase of 0.50 %	(7.91)	(0.86)
- Impact due to decrease of 0.50 %	8.79	0.88
Impact of the change in salary increase		
Present value of obligation at the end of the year	118.01	113.36
- Impact due to increase of 0.50 %	9.05	0.90
- Impact due to decrease of 0.50 %	(8.19)	(0.89)

Sensitivities due to mortality and withdrawals are not material and hence impact of change due to these is not calculated.

Sensitivities as to rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable.

(viii) Maturity profile of defined benefit obligation	As at March 31, 2023	As at March 31, 2022
0 to 1 year	3.03	35.89
1 to 2 year	2.38	24.62
2 to 3 year	2.55	13.81
3 to 4 year	3.34	7.74
4 to 5 year	3.72	4.30
5 to 6 year	3.13	2.37
6 year onwards	99.87	7.05

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

Particulars	As at March 31, 2023	As at March 31, 2022
Present value of obligation	120.25	130.32
Fair value of plan assets	-	-
Net obligation recognised in balance sheet as provision	120.25	130.32

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

Particulars	As at March 31, 2023	As at March 31, 2022
Total service cost	54.74	61.69
Net interest cost on defined benefit obligation	1.93	14.30
Net actuarial (gain)/loss recognised during the year	(2.36)	(75.72)
Amount recognised in the statement of profit and loss	54.30	0.27



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SATIN FINSERV LIMITED
Notes to the financial statements for the period ended March 31, 2023

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

Note 39: Financial instruments
A Financial assets and liabilities

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

Particulars	Notes to schedule	As at March 31, 2023	As at March 31, 2022
Financial assets measured at amortised cost			
Cash and Cash equivalents	4	3,878.47	2,537.76
Bank balances other than cash and cash equivalents	5	3,161.44	4,276.24
Receivables	6	298.33	36.69
Loans	7	22,126.34	16,182.79
Security deposits	8	29.13	138.36
Other financial assets	8	660.95	764.57
Total		30,154.66	23,936.41
Financial liabilities measured at amortised cost			
Payables	14	290.03	246.09
Debt securities	15	553.09	550.38
Borrowings (other than debt securities)	16	16,232.26	10,604.02
Other financial liabilities	17	271.49	228.62
Total		17,346.87	11,629.11

B Fair values hierarchy

The fair value of financial instruments as referred to in note (A) above has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities [Level 1 measurements] and lowest priority to unobservable inputs [Level 3 measurements].

The categories used are as follows:

Level 1: Quoted prices (unadjusted) for identical instruments in an active market;

Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and

Level 3: Inputs which are not based on observable market data (unobservable inputs).

Company does not have any assets measured at fair value.

B.1 Fair value of instruments measured at amortised cost

Fair value of instruments measured at amortised cost for which fair value is disclosed is as follows, these fair values are calculated using Level 3 inputs:

Particulars	As at March 31, 2023		As at March 31, 2022	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Cash and Cash equivalents	3,878.47	3,878.47	2,537.76	2,537.76
Bank balances other than cash and cash equivalents	3,161.44	3,161.44	4,276.24	4,276.24
Receivables	298.33	298.33	36.69	36.69
Loans	22,126.34	23,299.24	16,182.79	16,868.73
Security deposits	29.13	29.13	138.36	138.36
Other financial assets	660.95	660.95	764.57	764.57
Total	30,154.66	31,327.56	23,936.41	24,622.35
Financial liabilities				
Payables	290.03	290.03	246.09	246.09
Debt securities	553.09	553.09	550.38	550.38
Borrowings (other than debt securities)	16,232.26	16,232.26	10,604.02	10,604.02
Other financial liabilities	271.49	271.49	228.62	228.62
Total	17,346.87	17,346.87	11,629.11	11,629.11

The management assessed that fair values of cash and cash equivalents, other bank balances, trade receivables, other financial assets, trade payables and other financial liabilities approximate their respective carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- Long-term fixed-rate receivables are evaluated by the Company based on parameters such as interest rates, individual creditworthiness of the customer and other market risk factors.
- The fair values of the Company's fixed interest bearing loans and receivables are determined by applying discounted cash flows (DCF) method, using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at March 31, 2023 was assessed to be insignificant.
- The fair values of the Company fixed interest-bearing debt securities, borrowings and subordinated liabilities are determined by applying discounted cash flows (DCF) method, using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at March 31, 2023 was assessed to be insignificant.



SATIN FINSERV LIMITED

Notes to the financial statements for the period ended March 31, 2023

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

Note 40: Financial risk management

i) Risk Management

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

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

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

A) Credit risk

Credit risk is the risk that a counterparty fails to discharge its obligation to the Company. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, loan assets, and other financial assets measured at amortised cost. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

a) Credit risk management

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

- (i) Low credit risk on financial reporting date
- (ii) Moderate credit risk
- (iii) High credit risk

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

Asset Company	Basis of categorisation	Provision for expected credit loss
Low credit risk	Cash and cash equivalents, other bank balances, investments, loans and other financial assets	12 month expected credit loss
Moderate credit risk	Loans, trade receivables and other financial assets	Life time expected credit loss or 12 month expected credit loss
High credit risk	Loans and other financial assets	Life time expected credit loss fully provided for

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

Assets are written off when there is no reasonable expectation of recovery, such as a borrower declaring bankruptcy or a litigation decided against the Company. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.

Financial assets that expose the entity to credit risk*

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Low credit risk on financial reporting date		
Bank Balance in current accounts & in Fixed Deposits	3,199.71	1,917.56
Bank balances other than above	3,161.44	4,276.24
Security deposits	29.13	138.36
Other financial assets	660.95	764.57
Receivables	298.33	36.69
Loans	21,259.10	15,351.49
(ii) Moderate credit risk	527.41	486.73
(iii) High credit risk	916.50	899.99

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



SATIN FINSERV LIMITED

Notes to the financial statements for the period ended March 31, 2023

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

Cash and cash equivalents and bank deposits

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks across the country. Ratings are monitored periodically.

Receivables

Trade receivables measured at amortized cost and credit risk related to these are managed by monitoring the recoverability of such amounts continuously.

Other financial assets

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

Loans

Credit risk related to borrower's are mitigated by considering collateral's/bank guarantees/letter of credit, from borrower's. The Company closely monitors the credit-worthiness of the borrower's through internal systems and project appraisal process to assess the credit risk and define credit limits of borrower, thereby, limiting the credit risk to pre-calculated amounts. These processes include a detailed appraisal methodology, identification of risks and suitable structuring and credit risk mitigation measures. The Company assesses increase in credit risk on an ongoing basis for amounts loan receivables that become past due and default is considered to have occurred when amounts receivable become 90 days past due.

b) Expected credit losses for financial assets other than loans

- i) Company provides for expected credit losses on financial assets by assessing individual financial instruments for expectation of any credit losses:
- For cash and cash equivalents and other bank balances - Since the Company deals with only high-rated banks and financial institutions, credit risk in respect of cash and cash equivalents, other bank balances and bank deposits is evaluated as very low.
 - For investments - Considering the investments are in mutual funds, certificate of deposits and Government securities, credit risk is considered low.
 - For loans comprising security deposits paid - Credit risk is considered low because the Company is in possession of the underlying asset.
 - For other financial assets - Credit risk is evaluated based on Company's knowledge of the credit worthiness of those parties and loss allowance is measured for 12 month expected credit losses upon initial recognition and provide for lifetime expected credit losses upon significant increase in credit risk. The Company does not have any expected loss based impairment recognised on such assets considering their low credit risk nature, though the reconciliation of expected credit loss for all sub categories of financial assets (other than loans) are disclosed below:

As at March 31, 2023	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Bank Balance in current accounts & in Fixed Deposits	3,199.71	(P _a)	-	3,199.71
Bank balances other than above	3,161.44	(P _a)	-	3,161.44
Security deposits	29.13	(P _a)	-	29.13
Other financial assets	660.95	(P _a)	-	660.95
Receivables	298.33	(P _a)	-	298.33

As at March 31, 2022	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Bank Balance in current accounts & in Fixed Deposits	1,917.56	(P _a)	-	1,917.56
Bank balances other than above	4,276.24	(P _a)	-	4,276.24
Security deposits	138.36	(P _a)	-	138.36
Other financial assets	764.57	(P _a)	-	764.57
Receivables	36.69	(P _a)	-	36.69

- ii) The company has off books portfolio of loans which is being managed on behalf of principle partners. The company has provide fixed deposits to the principle partners against first loss default guarantee. The said fixed deposits are lien marked to the concerned principle partners. The company records first loss default guarantee liability based on contract terms with each principle partners as on each reporting date. Along with first loss default guarantee liability the company also recognize loss allowance measured on lifetime expected credit loss as on each reporting date.

iii) Expected credit loss for loans

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

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

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

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

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



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Notes to the financial statements for the period ended March 31, 2023

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

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

- The borrower is deceased
- A material decrease in the underlying collateral value where the recovery of the loan is expected from the sale of the collateral
- A material decrease in the borrower's turnover or the loss of a major customer
- 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 become 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 (0-30 days)	Stage 2 (31-90 days)	Stage 3 (More than 90 Days)
Gross carrying amount as at March 31, 2021	12,418.88	456.51	223.53
Assets originated or purchased	8,650.88	56.09	121.26
Net transfer between stages			
Transfer to stage 1	35.97	(35.97)	-
Transfer to stage 2	(530.94)	530.94	-
Transfer to stage 3	(315.12)	(290.37)	605.50
Assets derecognised or repaid (excluding write offs)	(4,908.18)	(230.46)	47.30
Write - offs	-	-	(97.60)
Gross carrying amount as at March 31, 2022	15,351.49	486.73	899.99
Assets originated or purchased	11,089.59	61.25	166.09
Net transfer between stages			
Transfer to stage 1	115.96	(77.28)	(38.67)
Transfer to stage 2	(398.29)	400.762	(2.48)
Transfer to stage 3	(218.95)	(138.72)	357.67
Assets derecognised or repaid (excluding write offs)	(4,680.71)	(205.32)	(109.30)
Write - offs	-	-	(356.80)
Gross carrying amount as at March 31, 2023	21,259.10	527.42	916.51

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

Reconciliation of loss allowance	Stage 1 (0-30 days)	Stage 2 (31-90 days)	Stage 3 (More than 90 Days)
Loss allowance on March 31, 2021	19.76	109.42	108.92
Increase of provision due to assets originated or purchased during the period	23.98	13.59	49.08
Net transfer between stages			
Transfer to stage 1	10.51	(10.51)	-
Transfer to stage 2	(2.65)	2.65	-
Transfer to stage 3	(1.86)	(62.37)	64.23
Assets derecognised or collected	33.77	93.57	190.97
Impact of ECL on exposures transferred between stages during the year	(3.33)	(33.84)	(50.44)
Loss allowance on March 31, 2022	80.17	112.52	362.75
Increase of provision due to assets originated or purchased during the period	16.28	13.46	74.24
Net transfer between stages			
Transfer to stage 1	31.49	(15.84)	(15.65)
Transfer to stage 2	(5.31)	6.31	(1.00)
Transfer to stage 3	(2.64)	(34.39)	37.03
Assets derecognised or collected	(62.08)	65.23	151.27
Impact of ECL on exposures transferred between stages during the year	(7.59)	(27.80)	(201.75)
Loss allowance on March 31, 2023	50.32	119.48	406.88



SATIN FINSERV LIMITED**Notes to the financial statements for the period ended March 31, 2023**

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

B) Liquidity risk

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

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

(i) Financing arrangements

The Company has access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	Total facility	Drawn	Undrawn
March 31, 2023			
- Expiring beyond one year			
- Expiring within one year	3,000		3,000
Total	3,000		3,000
March 31, 2022			
- Expiring beyond one year	3,000		3,000
- Expiring within one year			
Total	3,000		3,000



SATIN FINSERV LIMITED
Notes to the financial statements for the period ended March 31, 2023

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

(ii) Maturities of financial assets and liabilities

The tables below analyse the Company financial assets and liabilities into relevant maturity groupings based on their contractual maturities. The amounts disclosed in the table are the contractual undiscounted cash flows:

As at March 31, 2023	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Financial assets					
Cash and Cash equivalents	3,878.47	-	-	-	3,878.47
Bank balances other than cash and cash equivalents	654.81	2,405.17	101.46	-	3,161.44
Receivables	298.33	-	-	-	298.33
Loans	7,690.24	7,677.00	4,996.57	2,339.21	22,703.02
Other financial assets	690.08	-	-	-	690.08
Total undiscounted financial assets	13,211.93	10,082.17	5,098.03	2,339.21	30,731.34
Financial liabilities					
Debt securities	553.09	-	-	-	553.09
Borrowings (other than debt securities but including interest accrued)	6,033.69	4,651.26	2,337.80	3,378.73	16,401.48
Payables	290.03	-	-	-	290.03
Other financial liabilities	271.49	-	-	-	271.49
Total undiscounted financial liabilities	7,148.30	4,651.26	2,337.80	3,378.73	17,516.09
Net undiscounted financial assets/(liabilities)	6,063.64	5,430.92	2,760.23	(1,039.52)	13,215.26

As at March 31, 2022	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Financial assets					
Cash and Cash equivalents	2,537.76	-	-	-	2,537.76
Bank balances other than cash and cash equivalents	1,769.61	2,405.17	101.46	-	4,276.24
Receivables	36.67	-	-	-	36.67
Loans	4,308.78	4,735.69	5,044.96	2,648.79	16,738.22
Other financial assets	856.62	21.37	24.94	-	902.93
Total undiscounted financial assets	9,509.44	7,162.23	5,171.36	2,648.79	24,491.82
Financial liabilities					
Debt securities	52.74	497.64	-	-	550.38
Borrowings (other than debt securities but including interest accrued)	2,980.86	2,397.67	1,206.89	4,236.65	10,822.07
Payables	246.09	-	-	-	246.09
Other financial liabilities	228.62	-	-	-	228.62
Total undiscounted financial liabilities	3,508.31	2,895.31	1,206.89	4,236.65	11,847.16
Net undiscounted financial assets/(liabilities)	6,001.13	4,266.92	3,964.47	(1,587.85)	12,644.66

C) Market risk
a) Interest rate risk
i) Liabilities

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. At March 31, 2023, the Company is exposed to changes in market interest rates through bank borrowings at variable interest rates. The Company's investments in fixed deposits all pay fixed interest rates.

Interest rate risk exposure

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

Particulars	As at March 31, 2023	As at March 31, 2022
Variable rate liabilities		
Borrowings other than debt securities	10,470.21	4,055.44
Fixed rate liabilities		
Debt Securities	553.09	550.38
Borrowings other than debt securities	5,762.05	6,548.58
Total	16,785.35	11,154.40

Sensitivity

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

ii) Assets

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

Note 41: Capital Management

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

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

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

Particulars	March 31, 2023	March 31, 2022
Borrowings (other than debt securities)	16,401.48	10,822.07
Other financial liabilities - Interest Accrued	553.09	550.38
Less: Cash and Cash Equivalents	(3,928.50)	(2,738.52)



SATIN FINSERV LIMITED**Notes to the financial statements for the period ended March 31, 2023**

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

Net debt*	13,026.07	8,633.93
Equity Share Capital	14,051.49	10,250.00
Other Equity	(283.97)	2,919.42
Total equity	13,767.51	13,169.42
Net debt to equity ratio /Gearing ratio	0.95	0.66

* Net debt includes debt securities + borrowing other than debt securities + subordinated liabilities + interest accrued - cash and cash equivalents - bank balances other than cash & cash equivalents



SATIN FINSERV LIMITED
Notes to the financial statements for the period ended March 31, 2023

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

Note 42: Maturity analysis of assets and liabilities

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

	March 31, 2023			March 31, 2022		
	Within 12 months	More than 12 months	Total	Within 12 months	More than 12 months	Total
ASSETS						
Financial assets						
Cash and cash equivalents	3,878.47	-	3,878.47	2,537.76	-	2,537.76
Bank balances other than cash and cash equivalents	50.03	3,111.41	3,161.44	200.76	4,075.48	4,276.24
Receivables	298.33	-	298.33	36.69	-	36.69
Loans	7,113.56	15,012.78	22,126.34	3,753.35	12,429.44	16,182.79
Other financial assets	690.08	-	690.08	856.62	46.31	902.93
	12,030.47	18,124.19	30,154.66	7,385.18	16,551.23	23,936.41
Non Financial assets						
Current tax assets (net)	-	996.78	996.78	-	821.87	821.87
Deferred tax assets (net)	-	1,123.55	1,123.55	-	1,218.65	1,218.65
Property, plant and equipment	68.55	230.57	299.12	118.71	232.53	351.24
Other intangible assets	-	4.70	4.70	-	5.88	5.88
Other non financial assets	340.04	-	340.04	273.96	-	273.96
	408.59	2,355.60	2,764.19	392.67	2,278.93	2,671.60
TOTAL ASSETS	12,439.06	20,479.79	32,918.85	7,777.85	18,830.16	26,608.01
LIABILITIES						
Financial Liabilities						
Payables						
Trade Payables						
total outstanding dues of MSMEs	10.42	-	10.42	10.42	-	10.42
total outstanding dues of creditors other than MSMEs	279.61	-	279.61	235.67	-	235.67
Debt securities	553.09	-	553.09	550.38	-	550.38
Borrowings (other than debt securities)	6,033.69	10,367.79	16,401.48	2,980.86	7,841.21	10,822.07
Other financial liabilities	271.49	-	271.49	228.62	-	228.62
	7,148.30	10,367.79	17,516.09	4,005.95	7,841.21	11,847.16
Non Financial Liabilities						
Provisions	6.55	1,521.02	1,527.57	79.36	1,403.31	1,482.67
Other non financial liabilities	107.67	-	107.67	108.76	-	108.76
	114.22	1,521.02	1,635.24	188.12	1,403.31	1,591.43
TOTAL Liabilities	7,262.52	11,888.81	19,151.33	4,194.08	9,244.51	13,438.59
Net	5,176.54	8,590.98	13,767.52	3,583.77	9,585.65	13,169.42



SATIN FINSERV LIMITED**Notes to the financial statements for the period ended March 31, 2023**

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

Note 43: Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at-least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The funds were primarily allocated to a corpus and utilized through the year on these activities, which are specified in Schedule VII of the Companies Act, 2013.

Company has spent CSR expense through implementation agency (S. Amar Singh Educational Charitable Trust) for Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects. The said agency is not a related party for the company.

a. Gross amount required to be spent by the company during the year is Nil and previous year amounting to Rs. 7.41 Lacs.

b. Amount spent during the year on:

Particulars	For the period ended March 31, 2023			For the period ended March 31, 2022		
	Paid	Yet to be paid	Total	Paid	Yet to be paid	Total
1. Construction/acquisition of an asset	-	-	-	-	-	-
2. On purpose other than (1) above	-	-	-	7.41	-	7.41

Note 43A: Segment Reporting

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

Note 43B: Principal Business Criteria (PBC)

As on March 31, 2023, the Company which is registered Non-Banking Financial Company (NBFC) with Reserve Bank of India (RBI), post-merger of Taraashna Financial Services Limited (TFSL) with the Company, does not fulfil the principal business criteria laid down by RBI. As per the said criteria, Company should have at least 50% of total asset as financial asset and should derive more than 50% of total income from the non-banking financial activities asset. The Company meets the first criteria of asset however it does not meet the second criteria of income. Considering merger of TFSL with the Company, RBI has allowed time till Mar'2024 to fulfil the said criteria as per letter issued by RBI dated July 22, 2022".

Note 43C: Business combinations

Satin Finserv Limited (The Company) had entered into a scheme of amalgamation for the merger of Taraashna Financial Services Limited ("TFSL") with the Company. The appointed date of Scheme is April 01, 2021. Further, during the year, as the closing conditions for the said merger were fulfilled, the said transaction was consummated. The difference of Rs. 725.23 lac between the purchase consideration and fair value of net assets was recognised as Amalgamation reserve, a component of equity. The Company has issued its shares to the shareholders of TFSL in consideration for amalgamation in proportion of 237 (Two Hundred Thirty Seven) Equity Shares of Face Value of Rs. 10 each in The Company for every 100 (One Hundred) Equity shares of face value of Rs. 10/- each held by them. TFSL was involved in Business Correspondent services includes Identification of Borrowers, collection and preliminary processing of loan applications including verification of primary information, processing and submission of applications to banks, promoting, nurturing and monitoring of Self Help Groups/Joint Liability Groups, post-sanction monitoring, follow-up for recovery, disbursement of small value credit and recovery of principal/collection of interest.

The fair values of the assets and liabilities recognised at the date of merger are as follows:

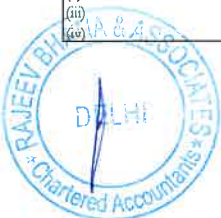
Assets	Amount (Rs. in lac)
Property, plant and equipment	238.42
Cash and cash equivalents	1,641.89
Bank balances other than above	4,856.60
Others	2,414.10
Liabilities	
Borrowings	2,664.59
Trade payables	325.48
Others	1,634.23
Net assets acquired	4,526.71
Equity Shares	3,801.49
Amalgamation reserve	725.23

Note 44: Additional disclosures as required by the Reserve Bank of India**(i) Capital to Risk Assets Ratio (CRAR)**

Particulars	As at March 31, 2023	As at March 31, 2022
CRAR (%)	46.63	54.50
CRAR - Tier I Capital (%)	46.45	54.19
CRAR - Tier II Capital (%)	0.19	0.31
Liquidity Coverage Ratio	1079%	1031%
Amount of subordinated debt raised as Tier-II capital	-	-
Amount raised by issue of Perpetual Debt Instruments	-	-

(ii)

Particulars	As at March 31, 2023	As at March 31, 2022
Value of Investments		
Gross Value of Investments		
(a) In India		
(b) Outside India		
Provisions for Depreciation		
(a) In India		
(b) Outside India		
Net Value of Investments		
(a) In India		
(b) Outside India		
Movement of provisions held towards depreciation on investments		
(i) Opening balance		
(ii) Add : Provisions made during the year		
(iii) Less : Write-off / write-back of excess provisions during the year		
(iv) Closing balance		



SATIN FINSERV LIMITED

Notes to the financial statements for the period ended March 31, 2023

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

(iii) Derivatives:-

The Company has no transactions/exposure in derivatives in the current period and previous period.

(iv) Details of assignment transactions undertaken:-

The Company has no transactions/exposure in assignment transactions in the current period and previous period.

(v) Details of financial asset sold to Securitisation / Reconstruction Company for asset reconstruction:-

The Company has not sold financial assets to

(vi) Details of non-performing financial assets purchased / sold:-

The Company has not purchased/sold non-performing financial asset in the current period and previous period.

(vii) Exposure to real estate sector:-

The Company has no exposure to real estate sector during the current period and previous period.

(viii) Exposure to capital market:-

The Company has no exposure to capital market during the current period and previous period.



SATIN FINSERV LIMITED
Notes to the financial statements for the period ended March 31, 2023

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

(ix) Disclosure relating to securitization:-

The Company has entered into agreement for the securitization of loans with assignees, wherein it has securitized a part of its loans portfolio amounting to INR 803 lakhs during the year ended March 31, 2023, being the principal value outstanding as on the date of the deals that are outstanding. The Company is responsible for collection and getting servicing of this loan portfolio on behalf of investors/buyers. In terms of the said securitization agreements, the Company pays to investor/buyers on agreed date basis the pro-rata collection amount as per individual agreement terms.

Particulars	For the period ended March 31, 2023	For the period ended March 31, 2022
1. No of SPEs holding assets for securitization transactions originated by the originator	1	-
2. Total amount of securitized assets as per books of the SPEs	803.13	-
3. Total amount of exposures retained by the originator to comply with MRR as on the date of balance sheet	140.55	-
a) Off Balance sheet exposures	-	-
* First loss	-	-
* Others	-	-
b) On Balance sheet exposures	-	-
* First loss	140.55	-
* Others	-	-
4 Amount of exposures to securitization transactions other than MRR	-	-
a) Off Balance sheet exposures	-	-
i) Exposure to own securitizations	-	-
* First loss	-	-
* Others	-	-
ii) Exposure to third party securitizations	-	-
* First loss	-	-
* Others	-	-
b) On Balance sheet exposures	-	-
i) Exposure to own securitizations	-	-
* First loss	-	-
* Others	-	-
ii) Exposure to third party securitizations	-	-
* First loss	-	-
* Others	-	-
5 Sale consideration received for the securitized assets and gain/loss on sale on account of securitization	702.76	-
6 Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitization asset servicing, etc	-	-
7 Performance of facility provided. Please provide separately for each facility viz. Credit enhancement, liquidity support, servicing agent, etc. Mention percent in bracket as of total value of facility provided	-	-
(a) Amount paid	-	-
(b) Repayment received	-	-
(c) Outstanding amount	800.73	-
8 Average default rate of portfolios observed in the past. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc	-	-
9 Amount and number of additional/top up loan given on same underlying asset. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc	-	-
10 Investor complaints (a) Directly/Indirectly received and; (b) Complaints outstanding	-	-

(x) Information on instances of fraud:-

Nature of fraud (cash embezzlement by employee) *	For the year ended March 31, 2023	For the year ended March 31, 2022
Number of Cases	7	1
Amount of Fraud	139.14	0.22
Recovery	35.60	-
Amount written off	103.55	0.22

* Amount reported above for the current year is pursuant to merger of Taraashna Financials Services Limited with Satin Finserv limited. These amount are related to previous financial years.

Nature of fraud (Borrower)	For the year ended March 31, 2023	For the year ended March 31, 2022
Number of Cases	1	-
Amount of Fraud	175.12	-
Recovery	-	-
Amount written off	175.12	-

(xi) Details of single borrower limit exceeded by applicable NBFC:-

The Company does not have single borrower exceeding the limits during the current period and previous period.

(xii) Details of financing of parent Company product:-

The Company does not have such transaction during the current period and previous period.

(xiii) Registration obtained from other financial sector regulators:-

The Company is registered with the 'Ministry of Corporate Affairs' (Financial regulators as described by Ministry of Finance).

(xiv) Disclosure of Penalties imposed by RBI & other regulators:-

No penalties imposed by RBI and other regulators during the current period and previous period.

(xv) Concentration of Advances, Exposures and NPAs

Particulars	As at March 31, 2023	As at March 31, 2022
Concentration of Advances		
Total advances to twenty largest borrowers	6,381.72	7,255.80
(%) of advances to twenty largest borrowers to total advances	28.84%	56.42%
Concentration of Exposures		
Total exposure to twenty largest borrowers	6,381.72	7,255.80
(%) of exposure to twenty largest borrowers to total exposure	28.84%	56.42%
Concentration of NPAs		
Total exposure to top four NPA accounts	34.53	38.93
(%) of exposure to top four NPA accounts	0.16%	0.30%



SATIN FINSERV LIMITED
Notes to the financial statements for the period ended March 31, 2023

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

(xvi) Movement of NPAs:-

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
i) Net NPAs to net advance (%)	2.30%	3.32%
ii) Movement of NPAs (Gross)		
a) Opening balance	899.99	223.53
b) Addition during the year	(119.72)	726.76
c) Reduction/ write off during the year	(264.35)	(50.30)
d) Closing balance	1,044.62	899.99
iii) Movement of NPAs (Net)		
a) Opening balance	537.24	114.61
b) Addition during the year	236.73	422.48
c) Reduction/ write off during the year	(264.35)	0.15
d) Closing balance	509.62	537.24
iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
a) Opening balance	362.75	108.92
b) Addition during the year	245.88	304.28
c) Reduction/ write off during the year	(201.75)	(50.44)
d) Closing balance	406.88	362.75

(xvii) Unsecured advances - refer note 7 of Balance Sheet Notes

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

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Provision for standard and non performing assets	21.25	317.34
Provision for gratuity	59.87	9.57
Provision for compensation absences	120.25	(8.81)

(xix) Un-hedged foreign currency

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

(xx) Intra-group exposures:-

Particulars	For the year ended March 31, 2023 (Customer)	For the year ended March 31, 2022 (Customer)	For the year ended March 31, 2023 (Borrower)	For the year ended March 31, 2022 (Borrower)
a) Total amount of intra-group exposures	39.88	93.07	4,000.00	4,000.00
b) Total amount of top 20 intra-group exposures	39.88	93.07	4,000.00	4,000.00
c) Percentage of intra-group exposures to total exposure of	0.18%	0.56%	23.59%	35.17%

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

(xxi)

Type of borrower	(A)	(B)	(C)	(D)	(E)
	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of the previous half-year (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of this half-year
Personal Loans	-	-	-	-	-
Corporate persons*	300.10	-	-	32.03	268.07
Of which, MSMEs	-	-	-	-	-
Others - MSME	882.76	12.29	-	117.48	752.98
Total	1,182.85	12.29	-	149.51	1,021.05

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



SATIN FINSERV LIMITED

Notes to the financial statements for the period ended March 31, 2023

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

(xxii) Asset Liabilities Management Maturity pattern of certain items of assets and liabilities:-
As at March 31, 2023

Particulars	1 day to 7 days	8 day to 14 days	15 day to 30/31 days	Over one Month to 2 Months	Over 2 Months upto 3 Months	Over 3 Months upto 6 Months	Over 6 Months upto 1 Year	Over 1 Year to 3 Years	Over 3 Years to 5 Years	Over 5 Years	Total
Liabilities											
Debt Securities	-	-	-	-	553.09	-	-	-	-	-	553.09
Borrowings from Banks	-	-	100.04	99.25	99.98	301.21	612.47	1,725.50	4.08	-	2,942.54
Market Borrowings (other than Banks)	57.48	41.19	351.38	395.47	400.46	1,288.26	2,217.94	5,187.53	3,350.00	-	13,289.72
Assets											
Advances	368.32	55.43	676.76	466.80	490.75	1,796.28	3,835.90	12,673.57	1,919.86	419.35	22,703.02
Cash and cash equivalents	978.76	100.00	2,796.94	-	2.77	-	-	-	-	-	3,878.47
Bank balances other than cash and cash equivalents	-	-	-	-	-	-	50.03	3,111.41	-	-	3,161.44



SATIN FINSERV LIMITED

Notes to the financial statements for the period ended March 31, 2023

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

As at March 31, 2022

Particulars	1 day to 7 days	8 day to 14 days	15 day to 30/31 days	Over one Month to 2 Months	Over 2 Months upto 3 Months	Over 3 Months upto 6 Months	Over 6 Months upto 1 Year	Over 1 Year to 3 Years	Over 3 Years to 5 Years	Over 5 Years	Total
Liabilities											
Debt Securities	-	-	-	-	-	52.74	-	497.64	-	-	550.38
Borrowings from Banks	0.38	-	0.17	42.05	42.05	126.17	252.42	1,007.81	458.38	-	1,929.44
Market Borrowings (other than Banks)	66.88	27.78	176.45	210.22	254.56	604.10	1,100.71	2,455.62	3,778.26	-	8,674.58
Assets											
Advances	141.67	53.22	293.62	257.08	577.10	871.13	1,752.45	10,143.16	2,079.85	568.94	16,738.22
Cash and cash equivalents	620.20	-	737.83	-	1,179.73	-	-	-	-	-	2,537.76
Bank balances other than cash and cash equivalents	-	-	-	-	200.76	-	-	4,075.48	0.00	-	4,276.24



SATIN FINSERV LIMITED

Notes to the financial statements for the period ended March 31, 2023

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

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

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP Norms	Difference between Ind AS 109 Provisions and IRACP Norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	21,257.95	50.27	21,207.68	142.57	(92.29)
	Stage 2	400.44	87.44	313.01	1.60	85.83
Subtotal		21,658.40	137.71	21,520.69	144.17	(6.46)
Non-Performing Assets (NPA)						
Substandard	Stage 1	1.15	0.04	1.11	0.12	(0.07)
Substandard	Stage 2	126.97	32.05	94.92	12.70	19.35
Substandard	Stage 3	691.40	328.88	362.52	69.14	259.74
Doubtful - up to 1 year	Stage 3	225.10	78.00	147.10	45.02	32.98
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		225.10	78.00	147.10	45.02	32.98
Loss						
Subtotal for NPA		1,044.62	438.97	605.65	126.97	312.00
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						
	Stage 1	21,259.10	50.32	21,208.79	142.68	(92.36)
	Stage 2	527.41	119.48	407.93	14.30	105.18
	Stage 3	916.50	406.88	509.62	114.16	292.72
Total		22,703.02	576.68	22,126.34	271.14	305.54



SATIN FINSERV LIMITED
Notes to the financial statements for the period ended March 31, 2023
(All amounts in ₹ in lakhs, unless stated otherwise)
(xxiv) Breaches in terms of covenants in respect of loans availed by the NBFC or debt securities issued by the NBFC including incidence/s of default:-

There is no breach in terms of covenants in respect of loans availed or debt securities issued by the Company including incidence/s of default

(xxv) Divergence in asset classification and provisioning above a certain threshold to be decided by the Reserve Bank:-

There is no divergence in asset classification and provisioning to be reported as per RBI guidelines.

(xxvii) Sectoral Exposure:-

Sectors	For the year ended March 31, 2023			For the year ended March 31, 2022		
	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
Agriculture and allied activities	2,807.57	350.42	12.48%	3,669.22	152.48	4.16%
MSME	3,329.75	354.20	10.64%	4,636.54	366.85	7.91%
Services	10,964.13	335.54	3.06%	2,181.87	145.54	6.67%
Corporate borrowers	5,434.30	-	0.00%	6,200.86	235.12	3.79%
Others	167.28	4.46	2.67%	49.73	-	0.00%
Total	22,703.02	1,044.62	4.60%	16,738.22	899.99	5.38%

xxviii) Customer complaints:-

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
a) Number of complaints pending at the beginning of the year	-	-
b) Number of complaint received during the year	-	-
c) Number of complaints disposed during the year	5	8
d) Of which, number of complaints rejected by the company	-	-
d) Number of complaint pending at the end of the year	-	-

Top five grounds of complaints received by the Company from customer

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
For the year ended March 31, 2023					
Complaint/enquiries w.r.t terms of loan agreement	-	5	-38%	-	-
For the year ended March 31, 2022					
Complaint/enquiries w.r.t terms of loan agreement	-	8	-20%	-	-

(xxix) Composition of the Board:-

S. No.	Name of Director	Director since	Capacity (i.e. Executive/ NonExecutive/ Chairman/ Promoter nominee/ Independent)	DIN	Number of Board		No. of other Director ship	Remuneration			No. of shares held in and convertible instruments held in the Company
					Held	Attended		Salary and other compensation (Rs.)	Sitting Fee	Comm ission	
1	Mr. Harvinder Pal Singh	10/08/2018	Non-executive Director	00333754	5	5	9	-	-	-	NA
2	Mr. Sumit Mukherjee	20/02/2019	Whole-time Director & CEO	08369056	5	5	NA	105.60	-	-	NA
3	Mr. Anil Kumar Kalra	10/08/2018	Independent Director	07361739	5	5	2	-	0.50	-	NA
4	Mr. Sundeeep Kumar Mehta	10/08/2018	Independent Director	00840544	5	5	2	-	0.50	-	NA
5	Ms. Jyoti Ahluwalia	30/03/2021	Independent Director	09112407	5	5	1	-	0.50	-	NA

There is no change in composition of the Board during the current and previous financial year



SATIN FINSERV LIMITED
Notes to the financial statements for the period ended March 31, 2023
(All amounts in ₹ in lakhs, unless stated otherwise)
(xxx) Committees of the Board and their composition:-

a) The names of the Committees of the Board are:

- i. Audit Committee
- ii. Nomination and Remuneration Committee
- iii. Asset Liability Management Committee
- iv. Risk Management Committee
- v. IT Strategy Committee

i) The composition of the Audit committees are mentioned below:

S. No.	Name of Director	Member of Committee since	Capacity (i.e. Executive/ NonExecutive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the Company
				Held	Attended	
1	Mr. Sundeep Kumar Mehta	January 31, 2019	Independent	4	4	NA
2	Mr. Harvinder Pal Singh	January 31, 2019	Non-Executive	4	4	NA
3	Mr. Anil Kumar Kalra	January 31, 2019	Independent	4	4	NA

ii) The composition of the Nomination and Remuneration committees are mentioned below:

S. No.	Name of Director	Committee since	Capacity (i.e. Executive/ NonExecutive/)	Number of Meetings of the		No. of shares held in the Company
				Held	Attended	
1	Mr. Sundeep Kumar Mehta	January 31, 2019	Independent	2	2	NA
2	Mr. Harvinder Pal Singh	January 31, 2019	Non-Executive	2	2	NA
3	Mr. Anil Kumar Kalra	January 31, 2019	Independent	2	2	NA

iii) The composition of the Asset Liability Management committees are mentioned below:

S. No.	Name of Director	Committee since	Capacity (i.e. Executive/ NonExecutive/)	Number of Meetings of the		No. of shares held in the Company
				Held	Attended	
1	Mr. Sumit Mukherjee	February 22, 2019	Executive	2	2	NA
2	Mr. Harvinder Pal Singh	February 22, 2019	Non-Executive	2	2	NA
3	Mr. Arjun Bansal	August 03, 2021	Chief Financial Officer	2	2	NA

iv) The composition of the Risk Management committees are mentioned below:

S. No.	Name of Director	Committee since	Capacity (i.e. Executive/ NonExecutive/)	Number of Meetings of the		No. of shares held in the Company
				Held	Attended	
1	Mr. Sundeep Kumar Mehta	January 31, 2019	Independent	2	2	NA
2	Mr. Harvinder Pal Singh	January 31, 2019	Non-Executive	2	2	NA
3	Mr. Anil Kumar Kalra	January 31, 2019	Independent	2	2	NA
4	Mr. Sumit Mukherjee	August 03, 2021	Executive	2	2	NA
5	Mr. Saurabh Lall	August 03, 2021	Head- Credit & Risk	1	1	NA
6	Mr. Surojit Chatterjee	October 21, 2022	Head- Credit & Risk	1	1	NA

*Mr. Saurabh Lall resigned from his position as Head - Credit & Risk w.e.f. September 30, 2022 and consequently from the membership of Risk Management Committee.

** Risk Management Committee was reconstituted by Board of Directors in their meeting held on October 21, 2022.



SATIN FINSERV LIMITED

Notes to the financial statements for the period ended March 31, 2023

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

v) The composition of the IT Strategy committees are mentioned below:

S. No.	Name of Director	Committee since	Capacity (i.e. Executive/ NonExecutive/	Number of Meetings of the		No. of shares held in the Company
				Held	Attended	
1	Mr. Sundeep Kumar Mehta	May 02, 2019	Independent	2	2	NA
2	Mr. Sumit Mukherjee	May 02, 2019	Executive	2	2	NA
3	Mr. Arjun Bansal	August 03, 2021	Chief Financial Officer	2	2	NA
4	Mr. Sunil Yadav	August 03, 2021	Head – IT (SCNL)	2	2	NA

(xxx) General Body Meetings:-

S. No.	Type of Meeting (Annual/ Extra-Ordinary)	Date and Place	Special resolutions passed
1	Annual General Meeting	May 02, 2022- Gurugram, Haryana	1



SATIN FINSERV LIMITED
Notes to the financial statements for the period ended March 31, 2023

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

45 The Board of Directors of Taraashna Financial Services Limited ("TFSL/merged entity") and Satin Finserv Limited ("SFL"), in their respective meetings held on August 03, 2021, have considered and approved the Scheme of Arrangement for Amalgamation of TFSL ("Transferor Company") with SFL ("Transferee Company") and their respective shareholders and creditors ("Scheme") under Sections 230 to 232 of the Companies Act, 2013 ("Act") and other applicable provisions of the Act and rules made thereunder. Consequently, the first motion application has been filed before Hon'ble NCLT, Chandigarh Bench after obtaining requisite NOCs from shareholders/creditors of both companies and government authorities. The said first motion application is reserved and allowed by the said Hon'ble NCLT on hearing dated April 06, 2022. The both companies has filed joint second motion application with Hon'ble NCLT on May 23, 2022 which is admitted by Hon'ble NCLT in its hearing dated July 08, 2022 and issued necessary directions of serving notices and newspapers advertisements. Accordingly, the both companies has served the notices to government authorities and completed publication in requisite newspapers as per order. The Hon'ble NCLT in its hearing dated January 31, 2023 has approved the Scheme of Arrangement for Amalgamation of TFSL and SFL. After requisite filing with concerned ROC, the said Scheme got effective from March 01, 2023. The Appointed Date of Scheme is April 01, 2021. By the effect of Appointed Date (i.e. April 01, 2021), the financial numbers of Satin Finserv Limited for the financial year ended March 31, 2022 are also restated due to amalgamation of Taraashna Financial Services Limited with Satin Finserv Limited"

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

47 Trade Receivables ageing schedule

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	-	285.16	8.74	2.97	1.27	0.19	298.33
(ii) Undisputed Trade Receivables – which have significant increase in credit risk							
(iii) Undisputed Trade Receivables – credit impaired							
(iv) Disputed Trade Receivables– considered good							
(v) Disputed Trade Receivables – which have significant increase in credit risk							
(vi) Disputed Trade Receivables – credit impaired							

Trade Receivables ageing schedule

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	-	26.09	4.62	3.20	0.84	1.95	36.69
(ii) Undisputed Trade Receivables – which have significant increase in credit risk							
(iii) Undisputed Trade Receivables – credit impaired							
(iv) Disputed Trade Receivables– considered good							
(v) Disputed Trade Receivables – which have significant increase in credit risk							
(vi) Disputed Trade Receivables – credit impaired							

47A Unbilled revenue ageing schedule

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

Unbilled revenue ageing schedule

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Unbilled revenue – considered good	721.64	-	-	-	-	-	721.64

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

- There are no proceedings which have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- The company is not a wilful defaulter as declared by any bank or financial Institution or any other lender.
- There are no charges or satisfaction yet to be registered with Registrar of Companies (ROC) beyond the statutory period.
- The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
- There are no transactions which are not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- The Company has not traded or invested in Crypto currency or Virtual Currency during the year.
- During the year, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- During the year, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

49 Previous year figures have been re-grouped/re-classified wherever necessary to make it comparable with the figure presented for the year ended 31st March 2023.

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

As per our review report of even date attached

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

Jatin Goyal
Partner
M.No. 553420

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

Sumit Mukherjee
DIN: 08369056
WTD & CEO
Place : Gurugram
Arjun Bansal
Chief Financial Officer

Place: Gurugram
Date: April, 22 2023

Harvinder Pal Singh
DIN: 00333754
Director
Place : Gurugram
Rajesh Jolly
Mem No: 43608
Company Secretary
Place: Gurugram



Place: Gurugram
Date: April, 22 2023