Preliminary Placement Document
Subject to Completion
Not for Circulation and Strictly Confidential
Serial Number: [●]

This Preliminary Placement Document relates to an issue made to Eligible QIBs under Chapter VI of the SEBI ICDR Regulations and no offer is being made through this Preliminary Placement Document to the public or any other categories of investors other than the Eligible QIBs. This Preliminary Placement Document is not an offer to sell securities and is not soliciting an offer to buy securities in any jurisdiction where such offer or sale is not permitted. The information in this Preliminary Placement Document is not complete and may be changed.

SATIN CREDITCARE NETWORK LIMITED

Satin Creditcare Network Limited (our "**Company**" or the "**Issuer**") was incorporated as Satin Leasing and Finance Private Limited, at New Delhi as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated October 16, 1990 issued by the Registrar of Companies, Delhi and Haryana. Our Company was converted into a public limited company pursuant to a fresh certificate of incorporation issued on July 1, 1994, by the Registrar of Companies, National Capital Territory of Delhi and Haryana ("**RoC**" or "**Registrar of Companies**"). Pursuant to a certificate of registration issued by the Reserve Bank of India ("**RBI**") on December 4, 1998, our Company was registered as a Non-Banking Financial Company ("**NBFC**"). Subsequently, the name of our Company was changed to Satin Creditcare Network Limited and a fresh certificate of incorporation was issued on April 10, 2000 by the RoC. Pursuant to the change in name of our Company from Satin Leasing and Finance Limited to Satin Creditcare Network Limited, the RBI issued a certificate of registration to the Company on November 2, 2000 as an NBFC. Further, our Company was issued a fresh certificate of registration by the RBI on February 4, 2009, enabling it to carry on the business of an NBFC without accepting public deposits. Subsequently, our Company was converted to an NBFC-Micro Finance Institution ("**NBFC-MFI**"), and a fresh certificate of registration was issued by the RBI on November 6, 2013 under Section 45-IA of the RBI Act, 1934, to carry on the business of non-banking financial institution without accepting public deposits. Our Company, currently registered as an NBFC-MFI, is classified as a systemically important non-deposit taking NBFC. For further details, see "***General Information***" on page 300.

Registered Office: 5th Floor, Kundan Bhawan, Azadpur Commercial Complex, Azadpur, North West, Delhi-110033, India
Corporate Office: Plot No. 492, Udyog Vihar, Phase-III, Gurugram-122016, Haryana, India
CIN: L65991DL1990PLC041796 | **Telephone**: 0124 4715400 | **Contact Person:** Vikas Gupta, Company Secretary and Chief Compliance Officer
E-mail address: secretarial@satincreditcare.com | **Website**: www.satincreditcare.com

Our Company is issuing up to [●] equity shares of face value of ₹ 10 each (the "**Equity Shares**") at a price of ₹ [●] per Equity Share (the "**Issue Price**"), including a premium of ₹ [●] per Equity Share, aggregating up to ₹ [●] (the "**Issue**"). For further details, please see "***Summary of the Issue***" on page 34.

THE ISSUE IS IN RELIANCE UPON CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS), SECTION 42 OF THE COMPANIES ACT, 2013, AS AMENDED, READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (THE "PAS RULES"), AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND THE RULES MADE THEREUNDER, EACH AS AMENDED ("COMPANIES ACT 2013").

The Equity Shares of the Company are listed on the BSE Limited ("**BSE**") and the National Stock Exchange of India Limited ("**NSE**" together with "**BSE**", the "**Stock Exchanges**"). The closing prices of the Equity Shares on the BSE and NSE as on December 13, 2023 were ₹ 247.10 and ₹ 247.05 per Equity Share, respectively. Our Company has received in-principle approvals pursuant to Regulation 28(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("**SEBI Listing Regulations**") for listing of the Equity Shares to be issued pursuant to this Issue, from each of the BSE and NSE on December 14, 2023. Our Company shall make applications to the Stock Exchanges for obtaining the final listing and trading approvals for the Equity Shares to be issued pursuant to this Issue. The Stock Exchanges assume no responsibility for the correctness of any statements made, opinions expressed, or reports contained herein. Admission of the Equity Shares to be issued pursuant to this Issue for trading on the Stock Exchanges should not be taken as an indication of the merits of our Company or the Equity Shares.

THE COMPANY HAS PREPARED THIS PRELIMINARY PLACEMENT DOCUMENT SOLELY FOR PROVIDING INFORMATION IN CONNECTION WITH THE PROPOSED ISSUE. THE ISSUE AND THE DISTRIBUTION OF THIS PRELIMINARY PLACEMENT DOCUMENT IS BEING MADE IN RELIANCE UPON CHAPTER VI OF THE SEBI ICDR REGULATIONS AND THE COMPANIES ACT, 2013. THIS PRELIMINARY PLACEMENT DOCUMENT SHALL BE CIRCULATED TO ONLY SUCH QUALIFIED INSTITUTIONAL BUYERS AS DEFINED IN REGULATION 2(1)(SS) OF THE SEBI ICDR REGULATIONS ("QIBS") WHICH ARE NOT: (A) EXCLUDED PURSUANT TO REGULATION 179(2)(B) OF THE SEBI ICDR REGULATIONS; OR (B) RESTRICTED FROM PARTICIPATING IN THE ISSUE UNDER THE APPLICABLE LAWS, INCLUDING THE SEBI ICDR REGULATIONS, ARE ELIGIBLE TO INVEST IN THIS ISSUE ("ELIGIBLE QIBS") WHOSE NAMES ARE RECORDED BY THE COMPANY, PRIOR TO MAKING AN INVITATION TO SUBSCRIBE TO THE EQUITY SHARES. THIS PRELIMINARY PLACEMENT DOCUMENT IS PERSONAL TO EACH PROSPECTIVE INVESTOR AND DOES NOT CONSTITUTE AN OFFER OR INVITATION OR SOLICITATION OF AN OFFER TO THE PUBLIC OR ANY OTHER PERSON OR CLASS OF INVESTORS WITHIN OR OUTSIDE INDIA OTHER THAN TO ELIGIBLE QIBS. YOU ARE NOT AUTHORISED TO AND MAY NOT (1) DELIVER THIS PRELIMINARY PLACEMENT DOCUMENT TO ANY OTHER PERSON; OR (2) REPRODUCE THIS PRELIMINARY PLACEMENT DOCUMENT, IN ANY MANNER WHATSOEVER; OR (3) RELEASE ANY PUBLIC ADVERTISEMENTS OR UTILISE ANY MEDIA, MARKETING OR DISTRIBUTION CHANNELS OR AGENTS TO INFORM THE PUBLIC AT LARGE ABOUT THE ISSUE. ANY DISTRIBUTION OR REPRODUCTION OF THIS PRELIMINARY PLACEMENT DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS INSTRUCTION MAY RESULT IN A VIOLATION OF THE SEBI ICDR REGULATIONS OR OTHER APPLICABLE LAWS OF INDIA AND OTHER JURISDICTIONS.

INVESTMENT IN EQUITY SHARES INVOLVES A HIGH DEGREE OF RISK AND PROSPECTIVE INVESTORS SHOULD NOT INVEST IN THE ISSUE UNLESS THEY ARE PREPARED TO TAKE THE RISK OF LOSING ALL OR PART OF THEIR INVESTMENT. PROSPECTIVE INVESTORS ARE ADVISED TO CAREFULLY READ "*RISK FACTORS*" ON PAGE 77, BEFORE MAKING AN INVESTMENT DECISION RELATING TO THE ISSUE. EACH PROSPECTIVE INVESTOR IS ADVISED TO CONSULT ITS OWN ADVISORS ABOUT THE PARTICULAR CONSEQUENCES OF AN INVESTMENT IN THE EQUITY SHARES BEING ISSUED PURSUANT TO THIS PRELIMINARY PLACEMENT DOCUMENT. PROSPECTIVE INVESTORS SHALL CONDUCT THEIR OWN DUE DILIGENCE ON THE EQUITY SHARES AND THE COMPANY. IF YOU DO NOT UNDERSTAND THE CONTENTS OF THIS PRELIMINARY PLACEMENT DOCUMENT AND THE PLACEMENT DOCUMENT, YOU SHOULD CONSULT AN AUTHORIZED FINANCIAL ADVISOR.

A copy of this Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4) has been delivered to the Stock Exchanges and a copy of the Placement Document (which shall also include disclosures prescribed under Form PAS-4) will be delivered to the Stock Exchanges. Our Company shall also make the requisite filings with the RoC, within the stipulated period as prescribed under the Companies Act, 2013 and the PAS Rules. This Preliminary Placement Document has not been reviewed by Securities and Exchange Board of India ("**SEBI**"), the Reserve Bank of India (the "**RBI**"), the Stock Exchanges, the RoC or any other regulatory or listing authority and is intended only for use by Eligible QIBs (*as defined hereinafter*).

The information on the Company's website or any website directly or indirectly linked to the Company's website or on the respective websites of the Book Running Lead Manager ("**BRLM**") or of its respective affiliates does not constitute or form part of this Preliminary Placement Document and prospective investors should not rely on such information contained in, or available through, any such websites. A copy of this Preliminary Placement Document, which includes disclosures prescribed under Form PAS-4 (*as defined hereinafter*), to the extent applicable, has been delivered to the Stock Exchanges and a copy of the Placement Document (which shall also include disclosures prescribed under Form PAS-4), to the extent applicable, shall be delivered to the Stock Exchanges. The Company shall also make the requisite filings with the Registrar of Companies, within the stipulated period as required under the Companies Act, 2013 and PAS Rules. This Preliminary Placement Document has not been reviewed by SEBI, RBI, the Stock Exchanges or any other listing or regulatory authority and is intended only for use by Eligible QIBs as defined in the SEBI ICDR Regulations. This Preliminary Placement Document has not been and shall not be filed as a prospectus with the RoC and will not be circulated or distributed to the public in India or any other jurisdiction and this Issue shall not constitute a public offer in India or any other jurisdiction. The placement of Equity Shares proposed to be made pursuant to this Preliminary Placement Document is meant solely for Eligible QIBs on a private placement basis and is not an offer to the public or to any other class of investors.

Invitations, offers and sales of the Equity Shares to be issued pursuant to this Issue shall only be made pursuant to this Preliminary Placement Document together with the Application Form, the Placement Document and the Confirmation of Allocation Note (*each as defined hereinafter*). For further details, see "***Issue Procedure***" on page 259. The distribution of this Preliminary Placement Document or the disclosure of its contents without the prior consent of the Company to any person, other than Eligible QIBs, and persons retained by Eligible QIBs to advise them with respect to their purchase of Equity Shares is unauthorised and prohibited. Each prospective investor, by accepting delivery of this Preliminary Placement Document, agrees to observe the foregoing restrictions and to make no copies of this Preliminary Placement Document or any documents referred to in this Preliminary Placement Document.

The information on our Company's website or any website directly or indirectly linked to our Company's website or the websites of the BRLM or its respective affiliates does not constitute nor form part of this Preliminary Placement Document and prospective investors should not rely on such information contained in, or available through, any such websites for their investment in this Issue.

The Equity Shares offered in the Issue have not been and will not be registered under the Securities Act of 1933, as amended (the "**Securities Act**"), or the securities laws of any state of the United States and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any applicable state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in "*offshore transactions*", as defined in and in reliance on Regulation S under the Securities Act ("**Regulation S**") and the applicable laws of the jurisdiction where those offers and sales are made. For the selling restrictions in certain other jurisdictions, see "***Selling Restrictions***" on page 274. See "***Transfer Restrictions***" on page 281 for information about transfer restrictions that apply to the Equity Shares sold in the Issue.

BOOK RUNNING LEAD MANAGER

JM Financial Limited

This Preliminary Placement Document is dated December 14, 2023.

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NOTICE TO INVESTORS

Our Company has furnished and accepts full responsibility for all of the information contained in this Preliminary Placement Document, and confirms that to its best knowledge and belief, having made all reasonable enquiries, this Preliminary Placement Document contains all information with respect to our Company, its Subsidiaries, and the Equity Shares offered in the Issue that is material in the context of the Issue. The statements contained in this Preliminary Placement Document relating to our Company, its Subsidiaries, and the Equity Shares are, in every material respect, true, accurate and not misleading. The opinions and intentions expressed in this Preliminary Placement Document are honestly held, have been reached after considering all relevant circumstances, are based on information presently available to our Company and are based on reasonable assumptions. There are no other facts in relation to our Company, its Subsidiaries, and the Equity Shares, the omission of which would, in the context of the Issue, make any statement in this Preliminary Placement Document misleading in any material respect. Further, all reasonable enquiries have been made by our Company to ascertain such facts and to verify the accuracy of all such information and statements. Unless otherwise stated, all information in this Preliminary Placement Document is provided as of the date of this Preliminary Placement Document and neither our Company nor the Book Running Lead Manager has any obligation to update such information to a later date.

The Book Running Lead Manager, JM Financial Limited, has made reasonable enquiries but has not separately verified all of the information contained in this Preliminary Placement Document (financial, legal or otherwise). Accordingly, neither the Book Running Lead Manager nor any of its affiliates including any of its shareholders, associates, directors, officers, employees, counsel, representatives and/or agents make any express or implied representation, warranty or undertaking, and no responsibility or liability is accepted by the Book Running Lead Manager nor any of its affiliates including any of its shareholders, directors, officers, employees, counsel, representatives, agents as to the accuracy or completeness of the information contained in this Preliminary Placement Document or any other information supplied in connection with the Equity Shares. Each person receiving this Preliminary Placement Document acknowledges that such person has not relied on the Book Running Lead Manager or any of its affiliates including any of its shareholders, associates, directors, officers, employees, counsel, representatives, agents in connection with such person's investigation of the accuracy of such information or such person's investment decision, and each such person must rely on its own examination of our Company and its Subsidiaries and the merits and risks involved in investing in the Equity Shares.

Distribution of this Preliminary Placement Document to any person other than the Eligible QIBs specified by the Book Running Lead Managers or their representatives, and those persons, if any, retained to advise such investor with respect thereto, is unauthorised, and any disclosure of its contents, is prohibited. Any reproduction or distribution of this Preliminary Placement Document, in whole or in part, and any disclosure of its contents to any other person is prohibited. Each prospective investor, by accepting delivery of this Preliminary Placement Document, agrees to observe the foregoing restrictions and make no copies of this Preliminary Placement Document or any offering material in connection with the Equity Shares.

No person is authorised to give any information or to make any representation not contained in this Preliminary Placement Document and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of our Company or by or on behalf of the Book Running Lead Manager. The delivery of this Preliminary Placement Document at any time does not imply that the information contained in it is correct as of any time subsequent to its date.

The Equity Shares to be issued pursuant to the Issue have not been approved, disapproved, registered or recommended by the securities authority or other regulatory authority of any jurisdiction, including the United States Securities and Exchange Commission, any other federal or state authorities in the United States, the securities authorities of any non-United States jurisdiction and any other United States or non-United States regulatory authority. No authority has passed on or endorsed the merits of the Issue or the accuracy or adequacy of this Preliminary Placement Document. Any representation to the contrary may be a criminal offence in certain jurisdictions.

The purchasers of the Equity Shares will be deemed to make the representations, warranties, acknowledgments and agreements set forth in "***Notice to Investors***", "***Representations by Investors***", "***Selling Restrictions***" and "***Transfer Restrictions***" on pages 1, 3, 274 and 281, respectively.

The distribution of this Preliminary Placement Document and the Issue may be restricted by law in certain countries or jurisdictions. As such, this Preliminary Placement Document does not constitute, and may not be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised, or to any person to whom it is unlawful to make such offer or solicitation. In particular, no action has been nor will be taken by our Company or the Book Running Lead Manager which would permit an offering of the Equity Shares being offered in the

Issue or distribution of this Preliminary Placement Document in any country or jurisdiction, other than India, where action for that purpose is required. Accordingly, the Equity Shares to be issued pursuant to the Issue may not be offered or sold, directly or indirectly, and neither this Preliminary Placement Document nor any other offering material in connection with the Equity Shares offered in the Issue may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. In particular, the Equity Shares offered in the Issue have not been and will not be registered under the Securities Act, or the securities laws of any state of the United States and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any applicable state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in "offshore transactions", as defined in and in reliance on Regulation S and the applicable laws of the jurisdiction where those offers and sales are made. For a description of the restrictions applicable to the offer and sale of the Equity Shares in the Issue in certain other jurisdictions, see "***Selling Restrictions***" on page 274.

In making an investment decision, investors must rely on their own examination of our Company, its Subsidiaries, and the terms of the Issue, including the merits and risks involved. Investors should not construe the contents of this Preliminary Placement Document as business, legal, tax, accounting or investment advice. Investors should consult their own counsel and advisors as to business, legal, tax, accounting, investment and related matters concerning the Issue. In addition, neither our Company nor the Book Running Lead Manager are making any representation to any offeree or subscriber of the Equity Shares offered in the Issue regarding the legality of an investment in such Equity Shares by such subscriber or purchaser under applicable laws or regulations.

Each Bidder of the Equity Shares in this Issue is deemed to have acknowledged, represented and agreed that it is an Eligible QIB and that it is eligible to invest in India and in the Company under applicable Indian law, including Chapter VI of the SEBI ICDR Regulations, Section 42 of the Companies Act, 2013 and Rule 14 of the PAS Rules, and is not prohibited by SEBI or any other statutory, regulatory or judicial authority from buying, selling or dealing in securities, including the Equity Shares.

The information available on our Company's website, www.satincreditcare.com, any website directly or indirectly linked to the website of the Company, or the respective websites of the Book Running Lead Manager, or their respective affiliates, does not constitute nor form part of this Preliminary Placement Document and prospective investors should not rely on the information contained in or available through any such websites.

REPRESENTATIONS BY INVESTORS

References to "you" or "your" in this section are to the prospective investors in the Issue. By Bidding for and/or subscribing to any Equity Shares offered in this Issue, you are deemed to have represented, warranted, acknowledged and agreed to our Company and the Book Running Lead Manager, as follows:

1. Your decision to subscribe to the Equity Shares to be issued pursuant to the Issue has not been made based on any information relating to our Company, which is not set forth in this Preliminary Placement Document.

2. You are a "**Qualified Institutional Buyer**", as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations and not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, having a valid and existing registration under applicable laws and regulations of India, and undertake to (i) acquire, hold, manage or dispose of any Equity Shares that are Allotted (*as defined hereinafter*) to you in accordance with Chapter VI of the SEBI ICDR Regulations, the Companies Act, 2013 and all other applicable laws; and (ii) comply with all requirements under applicable law in this relation, including reporting obligations / making necessary filings with appropriate regulatory authorities, including with the RBI, if any, in connection with this Issue or otherwise in relation to accessing the capital markets;

3. That you are eligible to invest in India under applicable law, including the RBI and Foreign Exchange Management (Non-Debt Instruments) Rules, 2019, as amended ("**FEMA Regulations or FEMA Non-Debt Rules**"), and other applicable RBI regulations and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by the SEBI or any other regulatory authority, statutory authority or otherwise, from buying, selling or dealing in securities or otherwise in relation to accessing capital markets in India;

4. If you are not a resident of India, but a QIB, you are an Eligible FPI (*as defined hereinafter*) (and are not an individual, corporate body or a family office) having a valid and existing registration with SEBI under the applicable laws in India or a multilateral or bilateral development financial institution, and are eligible to invest in India under applicable law, including the FEMA Regulations, and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI or any other regulatory authority or statutory authority, from buying, selling, dealing in securities or otherwise accessing the capital markets. You confirm that you are not a Foreign Venture Capital Investor ("**FVCI**"). You will make all necessary filings with appropriate regulatory authorities, as required pursuant to applicable laws;

5. You are aware that in terms of the FEMA Rules, and any notifications, circulars or clarifications issued thereunder, the total holding by each FPI including its investor group (which means common ownership of more than 50% or common control) shall be below 10% of the total paid-up equity share capital of our Company on a fully diluted basis and the total holdings of all FPIs put together shall not exceed the sectoral cap applicable to our Company. In terms of FEMA Rules, for calculating the total holding of FPIs in a company, holding of all registered FPIs shall be included. Hence, Eligible FPIs may invest in such number of equity shares in the Issue such that (i) the individual investment of the FPI in our Company does not exceed 10% of the post-Issue paid-up equity share capital of our Company on a fully diluted basis, and (ii) the aggregate investment by FPIs in our Company does not exceed the sectoral cap applicable to our Company. In case the holding of an FPI or investor group increases to 10% or more of the total paid-up equity share capital, on a fully diluted basis, such FPI shall divest the excess holding within a period of five trading days from the date of settlement of the trades resulting in the breach, or such other time as may be prescribed by SEBI and the RBI from time to time. If however, such excess holding has not been divested within the specified period of five trading days, the entire shareholding of such FPI will be re-classified as FDI, subject to the conditions as specified by SEBI and the RBI in this regard and compliance by the Company and the investor with applicable reporting requirements;

6. If you are an Eligible FPI as defined in this Preliminary Placement Document, you confirm that you will participate in this Issue only under and in conformity with Schedule II of FEMA Regulations. Further, you acknowledge that Eligible FPIs may invest in such number of Equity Shares that the individual investment of the Eligible FPI or its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than fifty per cent or common control) and is not permitted to be 10% or above of the post-Issue paid-up capital of the Company on a fully diluted basis and further the aggregate limit for FPI investments shall not exceed the sectoral cap applicable to the Company;

7. You will provide the information as required under the Companies Act, 2013, the PAS Rules and applicable SEBI regulations for record keeping by our Company, including your name, complete address, phone number, e-mail

address, PAN and bank account details and such other details as may be prescribed or otherwise required even after the closure of the Issue;

8. You are eligible to invest in and hold the Equity Shares of the Company in accordance with the FDI Policy, read along with the press note no. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India, wherein if the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, foreign investments can only be made through the Government approval route, as prescribed in the FEMA Regulations. You confirm that no government approval is required under the FEMA Rules, as mandated under the Companies (Share Capital and Debentures) Rules, 2014 and the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended;

9. If you are Allotted Equity Shares pursuant to this Issue, you shall not sell the Equity Shares so acquired for a period of one year from the date of Allotment (*as defined hereinafter*), except on the floor of the Stock Exchange. For additional restrictions in this regard, see "***Transfer Restrictions***" on page 281;

10. You are aware that this Preliminary Placement Document has not been, and will not be, filed as a prospectus with the Registrar of Companies under the Companies Act, 2013, the SEBI ICDR Regulations or under any other law in force in India and, no Equity Shares will be offered in India or overseas to the public or any members of the public in India or any other class of investors, other than Eligible QIBs. This Preliminary Placement Document has not been reviewed, verified, or affirmed by the SEBI, RBI, Stock Exchanges or any other regulatory or listing authority and is intended only for use by Eligible QIBs. This Preliminary Placement Document has been, and the Placement Document shall be filed with the Stock Exchanges for record purposes only and be displayed on the websites of the Company and the Stock Exchanges;

11. You are entitled to subscribe for and acquire the Equity Shares under the laws of all relevant jurisdictions applicable to you and that you have fully observed such laws and you have all necessary capacity and have obtained all necessary consents and authorities and complied and shall comply with all necessary formalities to enable you to commit to, and to participate in this Issue and to perform your obligations in relation thereto (including without limitation, in the case of any person on whose behalf you are acting, all necessary consents and authorisations to agree to the terms set out or referred to in this Preliminary Placement Document), and will honour such obligations;

12. Neither the Company, the Book Running Lead Manager nor any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates are making any recommendations to you or advising you regarding the suitability of any transactions it may enter into in connection with this Issue and your participation in this Issue is on the basis that you are not, and will not, up to the Allotment of the Equity Shares, be a client of the Book Running Lead Manager. Neither the Book Running Lead Manager nor any of its respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates have any duty or responsibility to you for providing the protection afforded to their clients or customers or for providing advice in relation to this Issue and are not in any way acting in any fiduciary capacity;

13. You are aware that if you are Allotted more than 5% of the Equity Shares in the Issue, our Company shall be required to disclose your name and the number of Equity Shares Allotted to you to the Stock Exchanges, and the Stock Exchanges will make the same available on their website and you consent to such disclosures;

14. All statements other than statements of historical fact included in this Preliminary Placement Document, including, without limitation, those regarding our financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to our business), are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and environment in which we will operate in the future. You should not place undue reliance on forward-looking statements, which speak only as of the date of this Preliminary Placement Document. None of the Company, the Book Running Lead Manager or any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates assumes any responsibility to update any of the forward-looking statements contained in this Preliminary Placement Document;

15. You are aware that the Equity Shares are being offered only to Eligible QIBs on a private placement basis and are not being offered to the general public, and the Allotment shall be on a discretionary basis at the discretion of the Company in consultation with the Book Running Lead Manager;

16. You are subscribing to the Equity Shares to be issued pursuant to the Issue in accordance with applicable laws and by participating in this Issue, you are not in violation of any applicable law including but not limited to the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("**SEBI Insider Trading Regulations**") the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003, as amended and the Companies Act, 2013, and the rules made thereunder;

17. You are able to purchase the Equity Shares in accordance with the restrictions described in "***Selling Restrictions***" on page 274 and you hereby make the representations, warranties, acknowledgements, undertakings and agreements in "***Selling Restrictions***" and "***Transfer Restrictions***" on pages 274 and 281, respectively;

18. You have been provided a serially numbered copy of this Preliminary Placement Document, and have read it in its entirety, including in particular the "***Risk Factors***" on page 77;

19. In making your investment decision, you have (i) relied on your own examination of our Company, its Subsidiaries and the terms of the Issue, including the merits and risks involved, (ii) made your own assessment of our Company, its Subsidiaries, and the Equity Shares and the terms of the Issue based on such information as is publicly available, (iii) consulted your own independent counsels and advisors or otherwise have satisfied yourself concerning, the effects of local laws (including tax laws), (iv) relied solely on the information as is publicly available and contained in this Preliminary Placement Document and no other disclosure or representation by our Company or any other party, (v) received all information that you believe is necessary or appropriate in order to make an investment decision in respect of our Company, its Subsidiaries, and the Equity Shares, and (vi) relied upon your own investigation and resources in deciding to invest in the Issue;

20. Neither the Book Running Lead Manager nor any of its respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates, has provided you with any tax advice or otherwise made any representations regarding the tax consequences of purchase, ownership and disposal of the Equity Shares (including but not limited to this Issue and the use of proceeds from the Equity Shares). You will obtain your own independent tax advice from a reputable service provider and will not rely on the Book Running Lead Manager or any of its respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates, when evaluating the tax consequences in relation to the Equity Shares (including but not limited, to this Issue and the use of proceeds from the Equity Shares). You waive, and agree not to assert any claim against, either the Book Running Lead Manager or any of its respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates, with respect to the tax aspects of the Equity Shares or as a result of any tax audits by tax authorities, wherever situated;

21. You are a sophisticated and informed investor and have such knowledge and experience in financial, business and investment matters as to be capable of evaluating the merits and risks of an investment in the Equity Shares. You are experienced in investing in private placement transactions of securities of companies in a similar nature of business, similar stage of development and in similar jurisdictions. You and any managed accounts for which you are subscribing for the Equity Shares (i) are each able to bear the economic risk of your investment in the Equity Shares, (ii) will not look to the Company and/or the Book Running Lead Manager or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates, for all or part of any such loss or losses that may be suffered in connection with this Issue, including losses arising out of non-performance by the Company of any of its respective obligations or any breach of any representations and warranties by the Company, whether to you or otherwise; (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) have no need for liquidity with respect to the investment in the Equity Shares, and (v) have no reason to anticipate any change in your or their circumstances or any accounts for which you are subscribing, financial or otherwise, which may cause or require any sale or distribution by you or them of all or any part of the Equity Shares. You acknowledge that an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment. You are seeking to subscribe to the Equity Shares in this Issue for your own investment and not with a view to resell or distribute;

22. If you are acquiring the Equity Shares to be issued pursuant to this Issue for one or more managed accounts, you represent and warrant that you are authorised in writing, by each such managed account to acquire the Equity Shares for each managed account to make (and you hereby make) the representations, warranties, acknowledgements,

undertakings and agreements herein for and on behalf of each such account, reading the reference to ‘you’ to include such accounts;

23. You are not a ‘promoter’ of the Company (as defined under Section 2(69) of the Companies Act, 2013 and the SEBI ICDR Regulations), and are not a person related to any of the Promoters, either directly or indirectly and your Bid (*as defined hereinafter*) does not directly or indirectly represent any Promoter or Promoter Group (as defined SEBI ICDR Regulations) or persons or entities related thereto;

24. You have no rights under a shareholders’ agreement or voting agreement entered into with the Promoters or members of the Promoter Group (whether Company is a party to such arrangement or not), no veto rights or right to appoint any nominee director on the Board of Directors of the Company, other than the rights, if any, acquired in the capacity of a lender not holding any Equity Shares (a QIB who does not hold any Equity Shares and who has acquired the said rights in the capacity of a lender shall not be deemed to be a person related to our Promoters);

25. You have no right to withdraw your Bid or revise your Bid downwards after the Issue Closing Date (*as defined hereinafter*);

26. You are eligible to Bid for and hold Equity Shares so Allotted together with any Equity Shares held by you prior to this Issue. Your aggregate holding after the Allotment of the Equity Shares shall not exceed the level permissible as per any applicable law;

27. The Bid made by you would not eventually result in triggering an open offer under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (“**SEBI Takeover Regulations**”);

28. To the best of your knowledge and belief, your aggregate holding, together with other Eligible QIB in this Issue that belong to the same group or are under common control as you, pursuant to the Allotment under this Issue shall not exceed 50.00% of the Issue Size. For the purposes of this representation:

    a) Eligible QIBs “belonging to the same group” shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15.00% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and independent directors, amongst an Eligible QIBs, its subsidiary or holding company and any other QIB; and

    b) ‘Control’ shall have the same meaning as is assigned to it under the SEBI Takeover Regulations.

29. You are aware that after Allotment, final applications will be made for obtaining listing and trading approvals from the Stock Exchanges, and that there can be no assurance that such approvals will be obtained on time or at all. Neither the Company nor the Book Running Lead Manager nor any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates shall be responsible for any delay or non-receipt of such final listing and trading approvals or any loss arising therefrom;

30. You shall not undertake any trade in the Equity Shares credited to your beneficiary account with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges;

31. You are aware that in terms of the requirements of the Companies Act, 2013 upon Allocation, the Company will be required to disclose names and percentage of post-Issue shareholding of the proposed Allottees in the Placement Document. However, disclosure of such details in relation to the proposed Allottees in the Placement Document will not guarantee Allotment to them, as Allotment in this Issue shall continue to be at the sole discretion of the Company, in consultation with the Book Running Lead Manager;

32. You are aware that the pre-Issue and post-Issue shareholding pattern of the Company, as required by the SEBI Listing Regulations, will be filed by the Company with the Stock Exchanges;

33. You agree in terms of Section 42 of the Companies Act, 2013 and Rule 14 of the PAS Rules, that the Company shall make necessary filings with the RoC as may be required under the Companies Act;

34. You are aware that if you, together with any other Eligible QIBs belonging to the same group or under common control, are Allotted more than 5.00% of the Equity Shares in this Issue, the Company shall be required to disclose the name of such Allottees and the number of Equity Shares Allotted to the Stock Exchanges and the Stock Exchanges will make the same available on their website and you consent to such disclosures being made by the Company;

35. The contents of this Preliminary Placement Document are exclusively the responsibility of the Company and that neither the Book Running Lead Manager or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates nor any person acting on its or their behalf or any of the counsels or advisors to this Issue has or shall have any liability for any information, representation or statement contained in this Preliminary Placement Document or any information previously published by or on behalf of the Company and will not be liable for your decision to participate in this Issue based on any information, representation or statement contained in this Preliminary Placement Document or otherwise. By accepting participation in this Issue, you agree to the same and confirm that the only information you are entitled to rely on, and on which you have relied in committing yourself to acquire the Equity Shares is contained in this Preliminary Placement Document, such information being all that you deem necessary to make an investment decision in respect of the Equity Shares, and you have neither received nor relied on any other information, representation, warranty or statement made by, or on behalf of, the Book Running Lead Manager or the Company or any other person and neither the Book Running Lead Manager nor the Company or any of their respective affiliates, including any view, statement, opinion or representation expressed in any research published or distributed by them and the Book Running Lead Manager or their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates will not be liable for your decision to accept an invitation to participate in this Issue based on any other information, representation, warranty, statement or opinion;

36. Neither the Book Running Lead Manager nor any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates have any obligation to purchase or acquire all or any part of the Equity Shares purchased by you in this Issue or to support any losses directly or indirectly sustained or incurred by you for any reason whatsoever in connection with this Issue, including non-performance by the Company of any of its obligations or any breach of any representations and warranties by the Company, whether to you or otherwise;

37. You will make the payment for subscription to the Equity Shares pursuant to this Issue from your own bank account. In case of joint holders, the monies shall be paid from the bank account of the person whose name appears first on the Application Form.

38. Any dispute arising in connection with this Issue will be governed and construed in accordance with the laws of the Republic of India, and the courts in Delhi, India, shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with this Preliminary Placement Document;

39. You confirm that, either (i) you have not participated in or attended any investor meetings or presentations by the Company or its agents with regard to the Company or this Issue; or (ii) if you have participated in or attended any Company presentations; (a) you understand and acknowledge that the Book Running Lead Manager may not have the knowledge of the statements that the Company or its agents may have made at such Company presentations and are therefore unable to determine whether the information provided to you at such meetings or presentations included any material misstatements or omissions, and, accordingly you acknowledge that Book Running Lead Manager have advised you not to rely in any way on any such information that was provided to you at such meetings or presentations, and (b) you confirm that, to the best of your knowledge, you have not been provided any material information that was not publicly available;

40. You understand that the Equity Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state of the United States and accordingly, may not be offered or sold within the United States, except in reliance on an exemption from the registration requirements of the Securities Act;

41. You are outside the United States and are subscribing for the Equity Shares in an "*offshore transaction*" as defined in Regulation S, and are not our Company's or the BRLMs' affiliate or a person acting on behalf of such an affiliate;

42. You are not acquiring or subscribing for the Equity Shares as a result of any "directed selling efforts" (as defined in Regulation S) and you understand and agree that offers and sales are being made in reliance on an exemption to the registration requirements of the Securities Act;

43. You understand and agree that the Equity Shares are transferable only in accordance with the restrictions described under the section "***Selling Restrictions***" and "***Transfer Restrictions***" on pages 274 and 281, respectively

44. Each of the representations, warranties, acknowledgements and agreements set out above shall continue to be true and accurate at all times up to and including the Allotment, listing and trading of the Equity Shares in this Issue. You agree to indemnify and hold the Company and the Book Running Lead Manager and their respective shareholders, directors, officers, employees, counsels, representative, agents or affiliates and controlling persons harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the foregoing representations, warranties, acknowledgements, agreements and undertakings made by you in this Preliminary Placement Document. You agree that the indemnity set out in this paragraph shall survive the resale of the Equity Shares by, or on behalf of, the managed accounts; and

45. The Company, the Book Running Lead Manager, their respective affiliates, shareholders, directors, officers, employees, agents, counsels, officers, representative and controlling persons and others will rely on the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings, which are given to the Book Running Lead Manager on their own behalf and on behalf of the Company and are irrevocable.

OFFSHORE DERIVATIVE INSTRUMENTS

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals, including in terms of Regulation 21 of the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 ("**SEBI FPI Regulations**"), as amended, FPIs, including the affiliates of the Book Running Lead Manager, who are registered as category I FPI can issue, subscribe and otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it in India, as its underlying) (all such offshore derivative instruments are referred to herein as "**P-Notes**") and persons who are eligible for registration as category I FPIs can subscribe to or deal in such P-Notes provided that in the case of an entity that has an investment manager who is from the Financial Action Task Force member country, such investment manager shall not be required to be registered as a Category I FPI. The above-mentioned category I FPIs may receive compensation from the purchasers of such instruments. An FPI will collect the regulatory fee of USD 1,000 or any other amount, as may be specified by SEBI from time to time, from every subscriber of offshore derivative instrument issued by it and deposit the same with SEBI by way of electronic transfer in the designated bank account of SEBI. Such P-Notes can be issued post compliance with the KYC norms and such other conditions as specified by SEBI from time to time. P-Notes have not been, and are not being offered, or sold pursuant to this Preliminary Placement Document. This Preliminary Placement Document does not contain any information concerning P-Notes or the issuer(s) of any P-notes, including, without limitation, any information regarding any risk factors relating thereto.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50% or common control) is not permitted to be 10% or above of our post-Issue Equity Share capital. As per the SEBI circular bearing no. CIR/IMD/FIIC/ 20 /2014, dated November 24, 2014, these investment restrictions shall also apply to subscribers of offshore derivative instruments. Two or more subscribers of offshore derivative instruments having common ownership of more than 50% or common control shall be considered together as a single subscriber of the offshore derivative instruments. In the event a prospective investor has investments as an FPI and as a subscriber of offshore derivative instruments, these investment restrictions shall apply on the aggregate of the FPI, and offshore derivative instruments investments held in the underlying company. Pursuant to a circular dated November 5, 2019, SEBI has issued certain operational guidelines to facilitate implementation of the SEBI FPI Regulations.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 read with the Consolidated FDI Policy, issued by the Department for Promotion of Industry and Internal Trade, Government of India, investments where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route, as prescribed in the Consolidated FDI Policy. These investment restrictions shall also apply to subscribers of offshore derivative instruments.

Affiliates of the BRLMs which are Eligible FPIs may purchase, to the extent permissible under law, the Equity Shares in the Issue, and may issue P-Notes in respect thereof. Any P-Notes that may be issued are not securities of our Company and do not constitute any obligation of, claims on, or interests in, our Company. Our Company has not participated in any offer of any P-Notes, or in the establishment of the terms of any P-Notes, or in the preparation of any disclosure related to any P-Notes. Any P-Notes that may be offered are issued by, and are the sole obligations of, third parties that are unrelated to our Company. Our Company and the BRLMs do not make any recommendation as to any investment in P-Notes and do not accept any responsibility whatsoever in connection with any P-Notes. Any P-Notes that may be issued are not securities of the BRLMs and do not constitute any obligations of, or claims on, the BRLMs. Affiliates of the BRLMs which are FPIs may purchase, to the extent permissible under law, the Equity Shares in the Issue, and may issue P-Notes in respect thereof.

Any P-Notes that may be issued are not securities of the Company and do not constitute any obligation of, claims on or interests in the Company. The Company has not participated in any offer of any P-Notes, or in the establishment of the terms of any P-Notes, or in the preparation of any disclosure related to any P-Notes. Any P-Notes that may be offered are issued by, and are the sole obligations of, third parties that are unrelated to the Company. The Company and the Book Running Lead Manager do not make any recommendation as to any investment in P-Notes and do not accept any responsibility whatsoever in connection with any P-Notes. Any P-Notes that may be issued are not securities of the Book Running Lead Manager and do not constitute any obligations of or claims on the Book Running Lead Manager. Respective affiliates of the Book Running Lead Manager which are Eligible FPIs may purchase the Equity Shares in this Issue, and may issue P-Notes in respect thereof, in each case to the extent permitted by applicable law.

Prospective investors interested in purchasing any P-Notes have the responsibility to obtain adequate disclosures as to the issuer(s) of such P-Notes and the terms and conditions of any such P-Notes from the issuer(s) of such P-Notes. Neither SEBI nor any other regulatory authority has reviewed or approved any P-Notes, or any disclosure related thereto. Prospective investors are urged to consult their own financial, legal, accounting and tax advisors regarding any contemplated investment in P-Notes, including whether P-Notes are issued in compliance with applicable laws and regulations.

DISCLAIMER CLAUSE

DISCLAIMER CLAUSE OF THE STOCK EXCHANGES

As required, a copy of the Preliminary Placement Document has been submitted to each of the Stock Exchanges.

The Stock Exchanges do not in any manner:

(i) warrant, certify or endorse the correctness or completeness of the contents of this Preliminary Placement Document;

(ii) warrant that the Equity Shares to be issued pursuant to the Issue will be listed or will continue to be listed on the Stock Exchanges; or

(iii) take any responsibility for the financial or other soundness of our Company, the promoters of our Company, its management or any scheme or project of the Company.

and it should not for any reason be deemed or construed to mean that this Preliminary Placement Document has been cleared or approved by the Stock Exchanges. Every person who desires to apply for or otherwise acquire any Equity Shares, may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against the Stock Exchanges whatsoever, by reason of any loss which may be suffered by such person consequent to or in connection with, such subscription/acquisition, whether by reason of anything stated or omitted to be stated herein, or for any other reason whatsoever.

DISCLAIMER CLAUSE OF THE RESERVE BANK OF INDIA

The Company is having a valid certificate of registration dated November 6, 2013, issued by the Reserve Bank of India under section 45-IA of the Reserve Bank of India Act, 1934. However, the Reserve Bank of India does not accept any responsibility or guarantee about the present position as to the financial soundness of the Company or for the correctness of any of the statements or representations made or opinions expressed by the Company and for repayments of deposits/ discharge of liabilities of the Company.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Financial Data

The financial year of our Company commences on April 1 of each calendar year and ends on March 31 of the succeeding calendar year, so, unless otherwise specified or if the context requires otherwise, all references to a particular "financial year", "fiscal year", "fiscal" or "FY" are to the twelve-month period ended on March 31 of that year.

Our Audited Financial Statements, and Unaudited Interim Condensed Financial Statements prepared in accordance with Ind AS are included in this Preliminary Placement Document in "***Financial Information***" on page 302.

Our Company publishes its financial statements in Indian Rupees (₹).

The following financial statements of our Company have been included in this Preliminary Placement Document:

1. Audited Consolidated Financial Statements for Fiscal 2021 read along with the notes thereto prepared in accordance with Indian Accounting Standards (Ind AS), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with the SEBI Listing Regulations and the report issued thereon **("Fiscal 2021 Audited Consolidated Financial Statements")**.

2. Audited Standalone Financial Statements for Fiscal 2021 read along with the notes thereto prepared in accordance with Indian Accounting Standards (Ind AS), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with the SEBI Listing Regulations and the report issued thereon. (**"Fiscal 2021 Audited Standalone Financial Statements")**

3. Audited Consolidated Financial Statements for Fiscal 2022 read along with the notes thereto prepared in accordance with Indian Accounting Standards (Ind AS), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with the SEBI Listing Regulations and the report issued thereon **("Fiscal 2022 Audited Consolidated Financial Statements")**.

4. Audited Standalone Financial Statements for Fiscal 2022 read along with the notes thereto prepared in accordance with Indian Accounting Standards (Ind AS), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with the SEBI Listing Regulations and the report issued thereon **("Fiscal 2022 Audited Standalone Financial Statements")**.

5. Audited Consolidated Financial Statements for Fiscal 2023 read along with the notes thereto prepared in accordance with Indian Accounting Standards (Ind AS), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with the SEBI Listing Regulations and the report issued thereon **("Fiscal 2023 Audited Consolidated Financial Statements")**.

6. Audited Standalone Financial Statements for Fiscal 2023 read along with the notes thereto prepared in accordance with Indian Accounting Standards (Ind AS), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with the SEBI Listing Regulations and the report issued thereon **("Fiscal 2023 Audited Standalone Financial Statements")**

7. Unaudited Interim Condensed Consolidated Financial Statements as of and for the six months ended September 30, 2023, read along with the notes thereto prepared in accordance with Indian Accounting Standard 34 "Interim Financial Reporting", prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and the report issued thereto **("Unaudited Interim Condensed Consolidated Financial Statements").**

8. Unaudited Interim Condensed Standalone Financial Statements as of and for the six months ended September 30, 2023, read along with the notes thereto prepared in accordance with Indian Accounting Standard 34 "Interim Financial Reporting", prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and the report issued thereto **("Unaudited Interim Condensed Standalone Financial Statements"** and collectively, the "**Audited Financial Statements**")

The Audited Consolidated Financial Statements and Audited Standalone Financial Statements for Fiscal 2021, together with their respective audit reports were issued by our Previous Statutory Auditor, M/s. Walker Chandiok & Co LLP, Chartered

Accountants and have been included in this Preliminary Placement Document.

Further, the Audited Consolidated Financial Statements and Audited Standalone Financial Statements, for Fiscals 2022 and 2023, along with the Unaudited Interim Condensed Consolidated Financial Statements, the Unaudited Interim Condensed Standalone Financial Statements together with the reports issued by our current Statutory Auditors, M/s S S Kothari Mehta & Company, Chartered Accountants, have been included in this Preliminary Placement Document.

In this Preliminary Placement Document, certain monetary thresholds have been subjected to rounding off adjustments; accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

The financial and statistical information in this Preliminary Placement Document has been presented in lakhs or crores or in whole numbers where the numbers have been too small to present in lakhs, unless stated otherwise.

Certain conventions

Unless otherwise specified, all references in this Preliminary Placement Document to (i) “India” are to the Republic of India, together with its territories and possessions; (ii) the “US”, the “USA”, the “United States” or the “U.S.” are to the United States of America, together with its territories and possessions; (iii) the ‘UK’ or ‘U.K.’ or the ‘United Kingdom’ are to the United Kingdom of Great Britain and its territories and possessions; and (iv) the ‘Government’ or ‘GoI’ or the ‘Central Government’ or the ‘State Government’ are to the Government of India, Central or State, as applicable.

Unless stated otherwise, all references to page numbers in this Preliminary Placement Document are to the page numbers of this Preliminary Placement Document. References to the singular also refer to the plural and one gender also refers to any other gender, wherever applicable.

In this Preliminary Placement Document, unless the context otherwise indicates or implies, references to “you”, “your”, “offeree”, “purchaser”, “subscriber”, “recipient”, “investors”, “prospective investors” “bidders” and “potential investor” are to the prospective investors in the Issue, references to “the Company” or “the Issuer” or “our Company” are to Satin Creditcare Network Limited and references to “we”, “us” or “our” are to the Company and its Subsidiaries, on a consolidated basis, unless otherwise specified.

Further, unless otherwise specified, all references to “average” represent the simple average of the data presented.

Currency and units of presentation

In this Preliminary Placement Document, all references to “Indian Rupees”, “₹”, “INR”, “`” and “Rs” are to Indian Rupees, the official currency of the Republic of India and all references to “U.S. dollars”, “USD” and “$” are to United States dollars, the official currency of the United States of America.

Except otherwise specified, our Company has presented certain numerical information in this Preliminary Placement Document in “lakhs” units or “crores” units. One lakh represents 1,00,000 and one crore represents 1,00,00,000.

Certain figures contained in this Preliminary Placement Document, including financial information, have been subject to rounding adjustments. Any discrepancies in any table between the totals and the sum of the amounts listed are due to rounding off. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given, and (ii) the sum of the figures in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Unless otherwise specified, all financial numbers in parenthesis represent negative figures.

Non-GAAP Financial Measures

In evaluating our business, we consider and use non-GAAP financial measures, which include, *inter alia*, Assets Under Management, Net Worth, Return on Equity, Debt to Equity Ratio, Operating Expense, Net Interest Margin, to review and assess our operating performance. These non-GAAP financial measures are not defined under Ind AS and are not presented in accordance with Ind AS. These may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS and may not be comparable to similarly titled measures presented by other companies. The presentation of these non-GAAP financial measures is not intended to be considered in isolation or as a substitute for the financial statements included in this Preliminary Placement Document. Prospective investors should read this information in conjunction with the financial statements included in "***Financial Information***" on page 302.

Financial and other Information

Unless otherwise indicated or the context requires otherwise, all financial data in this Preliminary Placement Document pertaining to the financial statements for the financial years ended March 31, 2021, March 31, 2022 and March 31, 2023 are derived from the respective Audited Financial Statements, as may be applicable and not derived from the comparative data for such respective financial year. Further, all financial data in this Preliminary Placement Document pertaining to the financial statements for six months ended September 30, 2023, is derived from the Unaudited Interim Condensed Financial Statements, as may be applicable. Accordingly, the degree to which the financial statements included in this Preliminary Placement Document will provide meaningful information is entirely dependent on the reader's level of familiarity with the respective accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Preliminary Placement Document should accordingly be limited.

FORWARD LOOKING STATEMENTS

This Preliminary Placement Document contains certain "forward-looking statements". These forward-looking statements can generally be identified by words or phrases such as "will", "aim", "will likely result", "believe", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "contemplate", "seek to", "future", "objective", "goal", "project", "should", "could", "may", "potential", "will pursue" and similar expressions or variations of such expressions.

All statements contained in this Preliminary Placement Document that are not statements of historical fact constitute "forward-looking statements". All statements regarding our expected financial condition and results of operations, business, plans, objectives, strategies, goals and prospects are forward-looking statements.

Forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. These statements are based on our management's beliefs and assumptions, which in turn are based on currently available information. Although our Company believes the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could prove to be inaccurate. Further, the actual results may differ materially from those suggested by the forward-looking statements.

Important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

1. We operate in a highly regulated industry and changes in the laws, rules and regulations applicable to us may adversely affect our business, financial condition, results of operations and cash flows.

2. Some of our financing documents require us to obtain consents from our lenders for issuance of equity shares, including for undertaking the Issue, and we have not received consent from one of our lenders.

3. Non-payment or default owing to the profile of borrowers in the microfinance industry, whom we service, may adversely affect our business, results of operations, cash flows and financial condition.

4. We are exposed to operational and credit risks which may result in NPAs, and we may be unable to control or reduce the level of NPAs in our portfolio. If we are unable to manage the level of NPAs or provisioning requirement as per regulatory requirements, our cash flows, financial position and results of operations may suffer.

5. Our business has substantial and continuous capital requirements and any disruption in accessing funds would adversely impact our business, liquidity, financial conditions and results of operations.

6. We have geographic concentration in certain States and therefore are dependent on the general and regional economic, geopolitical and natural conditions and activities in such states and regions.

7. We are subject to risks arising from interest rate fluctuations, which could adversely affect our business, results of operations and financial condition.

8. Our operations involve handling cash in high volumes through a dispersed network of branches which makes us susceptible to operational risks including, misappropriation, embezzlement or fraud by our employees, which may adversely affect our business, operations and ability to recruit and retain employees.

9. We rely heavily on our information technology platform for our business operations. Any security breaches or disruption to our systems and our inability to successfully develop or upgrade our technological systems could materially and adversely affect our business.

10. We are dependent on our Board, members of our Senior Management, Key Managerial Personnel and our employees, and the loss of, or our inability to hire, retain, train, and motivate qualified personnel could adversely affect our business, results of operations, cash flows and financial condition.

For further discussion of factors that could cause our actual results to differ from our expectations, see "***Risk Factors***" and the chapters "***Our Business***", "***Industry Overview***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operation***" on pages 77, 217, 172 and 130, respectively.

By their nature, certain risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither our Company, the Directors, the Book Running Lead Manager, nor any of their respective affiliates or associates, have any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not realise.

If any of these risks and uncertainties materialise, or if any of our Company's underlying assumptions prove to be incorrect, our Company's actual results of operations, cash flows or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent written and oral forward-looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements.

ENFORCEMENT OF CIVIL LIABILITIES

Our Company is a public company incorporated with limited liability under the laws of India. Majority of our Directors are residents of India. All of our Company's key managerial personnel are residents of India and a substantial portion of the assets of our Company and such persons are located in India. As a result, it may be difficult for investors outside India to effect service of process upon our Company or such persons in India, or to enforce judgments obtained against such parties outside India.

Recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Code of Civil Procedure, 1908, as amended ("**Civil Procedure Code**"), on a statutory basis. Section 13 of the Civil Procedure Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon by the same parties or between parties under whom they or any of them claim to be litigating under the same title, except: (a) where the judgment has not been pronounced by a court of competent jurisdiction; (b) where the judgment has not been given on the merits of the case; (c) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognise the law of India in cases in which such law is applicable; (d) where the proceedings in which the judgment was obtained were opposed to natural justice; (e) where the judgment has been obtained by fraud; and (f) where the judgment sustains a claim founded on a breach of any law in force in India. A foreign judgment which is conclusive under Section 13 of the Civil Procedure Code may be enforced either by a fresh suit upon the judgment or by proceedings in execution. The suit must be brought in India within three (3) years from the date of the judgment by a court in the United States in the same manner as any other suit filed to enforce a civil liability in India.

Under Section 14 of the Civil Procedure Code, a court in India shall presume, upon the production of any document purporting to be a certified copy of a foreign judgment, that such judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on the record; but such presumption may be displaced by proving want of jurisdiction. A foreign judgment which is conclusive under Section 13 of the Civil Procedure Code can be enforced in India (i) by instituting execution proceedings; or (ii) by instituting a suit on such judgment.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Section 44A of the Civil Procedure Code provides that a foreign judgment rendered by a superior court (within the meaning of that Section) in any country or territory outside India which the Government has by notification declared to be a reciprocating territory, may be enforced in India by proceedings in execution as if the judgment had been rendered by an appropriate court in India. Under the Civil Procedure Code, a court in India will, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the foreign judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record, but such presumption may be displaced by proving want of jurisdiction. However, Section 44A of the Civil Procedure Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalty and does not include arbitration awards.

Among others, each of the United Arab Emirates, United Kingdom, Singapore and Hong Kong has been declared by the Government to be a reciprocating territory for the purposes of Section 44A of the Civil Procedure Code, but the United States of America has not been so declared. A judgment of a foreign court in a jurisdiction which is not a reciprocating territory may be enforced only by a fresh suit upon the judgment and not by proceedings in execution. The suit must be filed in India within three years from the date of the foreign judgment in the same manner as any other suit filed to enforce a civil liability in India. Accordingly, a judgment of a court in the United States may be enforced only by a fresh suit upon the foreign judgment and not by proceedings in execution.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with public policy in India, and it is uncertain whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. A party seeking to enforce a foreign judgment in India may be required to obtain prior approval from the RBI under the FEMA to execute such a judgment or to repatriate any amount recovered pursuant to execution, and any such amount may be subject to tax in accordance with applicable laws. Any judgment in a foreign currency would be converted into Indian Rupees (₹) on the date of judgment and not on the date of payment.

INDUSTRY AND MARKET DATA

Information regarding market position, growth rates and other industry data pertaining to the business of our Company contained in this Preliminary Placement Document consists of estimates based on data reports compiled by government bodies, professional organisations and analysts, data from other external sources and knowledge of the markets in which our Company competes, more particularly described in the section titled "***Industry Overview***" on page 172.

Unless stated otherwise, industry data used throughout this Preliminary Placement Document has been obtained or derived from the report titled "*Analysis of Microfinance Industry in India*" dated November 2023 ("**CRISIL Report**"), which is a report paid for and commissioned by our Company from CRISIL Market Intelligence & Analytics ("**CRISIL**"), specifically for the purposes of the Issue.

This information is subject to change and cannot be verified with complete certainty due to limits on the availability and reliability of the raw data and other limitations and uncertainties inherent in any statistical survey. In many cases, there is no readily available external information (whether from trade or industry associations, government bodies or other organizations) to validate market-related analysis and estimates, so we have relied on internally developed estimates. Similarly, while we believe its internal estimates to be reasonable, such estimates have not been verified by any independent sources and neither we nor any of the BRLMs can assure Bidders as to their accuracy.

Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those disclosed in "***Risk Factors***" on page 77. Accordingly, investment decisions should not be based on such information.

Information included in this Preliminary Placement Document from CRISIL Report is subject to the following disclaimer:

"*CRISIL Market Intelligence & Analytics (CRISIL MI&A), a division of CRISIL Limited (CRISIL) has taken due care and caution in preparing this report (Report) based on the Information obtained by CRISIL from sources which it considers reliable (Data). This Report is not a recommendation to invest / disinvest in any entity covered in the Report and no part of this Report should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. Without limiting the generality of the foregoing, nothing in the Report is to be construed as CRISIL providing or intending to provide any services in jurisdictions where CRISIL does not have the necessary permission and/or registration to carry out its business activities in this regard. Satin Creditcare Network Limited will be responsible for ensuring compliances and consequences of non-compliances for use of the Report or part thereof outside India. CRISIL MI&A operates independently of, and does not have access to information obtained by CRISIL Ratings Limited, which may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL MI&A and not of CRISIL Ratings Limited. No part of this Report may be published/reproduced in any form other than as explicitly permitted herein, without CRISIL's prior written approval.*"

EXCHANGE RATE INFORMATION

Fluctuations in the exchange rate between the Indian Rupee and foreign currencies will affect the foreign currency equivalent of the Indian Rupee price of the Equity Shares on the Stock Exchanges. These fluctuations will also affect the conversion into foreign currencies of any cash dividends paid in Indian Rupees (₹) on the Equity Shares.

The following table sets forth information concerning exchange rates between the Indian Rupee and the U.S. dollar (in ₹ per US$) and the Indian Rupee, for or as of the end of the periods indicated. The exchange rates are based on the reference rates released by RBI / FBIL which are available on their respective websites. No representation is made that any Indian Rupee amounts actually represent U.S. dollar or could have been, or could be, converted into U.S. dollars at any particular rate, the rates stated below, or at all.

1. US Dollar

(₹ per US$)

	Period End*	Average**	High***	Low****
Fiscal:				
2021	73.50	74.27	76.81	72.29
2022	75.81	74.51	76.92	72.48
2023	82.22	80.51	83.20	76.09
Six months ended:				
September 30, 2023	83.06	82.44	83.26	81.65
Month ended:				
June 2023	82.04	82.23	82.64	81.88
July 2023	82.25	82.15	82.68	81.81
August 2023	82.68	82.79	83.13	82.28
September 2023	83.06	83.05	83.26	82.66
October 2023	83.27	83.24	83.27	83.15
November 2023	83.35	83.30	83.39	83.13

(Source: www.fbil.org.in and www.rbi.org.in)

* *The price for the period end refers to the price as on the last trading day of the respective Fiscal or monthly periods.*
** *Average of the official rate for each Working Day of the relevant period.*
*** *Maximum of the official rate for each Working Day of the relevant period.*
**** *Minimum of the official rate for each Working Day of the relevant period.*

Note:

(1) *If the reference rate is not available on a particular date due to a public holiday, exchange rates of the previous Working Day have been disclosed.*
(2) *The reference rates are rounded off to two decimal places.*

DEFINITIONS AND ABBREVIATIONS

This Preliminary Placement Document uses the definitions and abbreviations set forth below, which you should consider when reading the information contained herein.

The following list of certain capitalised terms used in this Preliminary Placement Document is intended for the convenience of the reader/prospective investor only and is not exhaustive.

Unless otherwise specified, the capitalised terms used in this Preliminary Placement Document shall have the meaning as defined hereunder. Further any references to any statute or regulations or policies shall include amendments made thereto, from time to time.

The words and expressions used in this Preliminary Placement Document but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in the sections "***Taxation***" "***Industry Overview***", "***Capital Structure***", "***Legal Proceedings***", "***Selected Statistical Information***" and "***Financial Information***" on pages 289, 172, 122, 292, 61 and 302, respectively, shall have the meaning given to such terms in such sections.

Company Related Terms

Term	Description
"Satin Creditcare", "the Company", "our Company", or "the Issuer"	Satin Creditcare Network Limited, a public limited company incorporated under the Companies Act, 1956, and having its registered office at 5th Floor, Kundan Bhawan, Azadpur Commercial Complex, Azadpur, North West, Delhi-110033, India
"we", "us" or "our"	The Company together with its Subsidiaries, on a consolidated basis

Company Related Terms

Term	Description
Articles of Association/AoA/Articles	The articles of association of our Company, as amended from time to time
Asset Liability Management Committee	Asset liability management committee of our Company constituted in accordance with the applicable laws
Audit Committee	Audit committee of the Board of our Company, constituted in accordance with the applicable laws, and as described in "***Board of Directors and Senior Management***" on page 239
Audited Financial Statements	Audited Consolidated Financial Statements and Audited Standalone Financial Statements collectively.
Audited Consolidated Financial Statements	The audited consolidated financial statements of the Company and its Subsidiaries comprising the consolidated balance sheet as at March 31, 2023, March 31, 2022 and March 31, 2021, and the consolidated statement of profit and loss, the consolidated statement of changes in equity and the consolidated statement of cash flows for each of the years ended and notes to the consolidated financial statements including a summary of the significant accounting policies and other explanatory information, prepared in accordance with accounting principles generally accepted in India, including Ind AS notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, and the auditor's report on audited consolidated financial statements (a) for Fiscal 2022 and 2023 dated May 4, 2022 and April 29, 2023 , respectively issued thereon by S S Kothari Mehta & Company, Chartered Accountants, Statutory Auditors of the Company and (b) for Fiscal 2021 date June 14, 2021 issued thereon by Walker Chandiok & Co LLP, Chartered Accountants, our Previous Statutory Auditors.
Audited Standalone Financial Statements	The audited standalone financial statements of the Company comprising the standalone balance sheet as at March 31, 2021, March 31, 2022 and March 31, 2023, and the standalone statement of profit and loss, the standalone statement of changes in equity and the standalone statement of cash flows for each of the years then ended and notes to the standalone financial statements including a summary of the significant accounting policies and other explanatory information, prepared in accordance with accounting

Term	Description
	principles generally accepted in India, including Ind AS notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, and the auditor's report on audited standalone financial statements (a) for Fiscal 2022 and 2023 dated May 4, 2022 and April 29, 2023, respectively, issued thereon by S S Kothari Mehta & Company, Chartered Accountants, Statutory Auditors of the Company and (b) for Fiscal 2021 dated June 14, 2021 issued thereon by Walker Chandiok & Co LLP, Chartered Accountants, our Previous Statutory Auditors.
Auditor/Statutory Auditors	S S Kothari Mehta & Company, Chartered Accountants
Board of Directors/Board	The board of directors of our Company, including any duly constituted committees thereof
Chairman cum Managing Director	Harvinder Pal Singh, the Chairman cum Managing Director of our Board of Directors
CRISIL Report	Report titled "*Analysis of Microfinance Industry in India*" dated November 2023, which is a report commissioned by our Company from CRISIL Market Intelligence & Analytics
Corporate Office	Plot no. 492, Udyog Vihar, Phase III, Gurugram – 122016, Haryana, India
Corporate Social Responsibility Committee	Corporate social responsibility committee of our Company constituted in accordance with the applicable laws
Designated Persons	Designated Persons, in accordance with our Company's 'Code of conduct for regulating, monitoring and reporting of trading by Designated Persons' and the Insider Trading Regulations, mean the following persons: (i) Promoters (ii) Directors (iii) Key Managerial Personnel (iv) Our Company's employees up to two levels below the Directors and our Chief Executive Officer (v) Employees in the department of finance, IT, accounts and in the legal and secretarial department who are placed at our Registered/Corporate Office (vi) Persons (as stated under point (i) to (v)) for our Company's holding company, if any, Subsidiaries (vii) Such other persons as our Company and Compliance Officer, may designate from time to time
Director(s)	The director(s) on the Board of our Company, as may be appointed from time to time
Equity Shares	Equity shares of our Company of face value of ₹ 10 each
Executive Director	The Executive Director of our Company, Harvinder Pal Singh, in terms of Companies Act, 2013
Financial Statements	Audited Financial Statements, and Unaudited Interim Condensed Financial Statements, collectively
Fraudulent Borrower	An entity or person categorised as a fraudulent borrower by any bank or financial institution or consortium thereof, in terms of Regulation 2(1)(lll) of the SEBI ICDR Regulations
Independent Director(s) or Non-Executive Independent Director(s)	The Independent Director(s) of our Company, namely, Sundeep Kumar Mehta, Sangeeta Khorana, Goh Colin, Sanjay Kumar Bhatia and Anil Kumar Kalra
IT Strategy Committee	IT Strategy Committee of our Company constituted in accordance with the applicable laws
Key Managerial Personnel	The key managerial personnel of our Company in accordance with the provisions of the Companies Act, 2013, as amended. For details, see "***Board of Directors and Senior Management***" on page 239
Memorandum of Association/Memorandum/MoA	The memorandum of association of our Company, as amended from time to time
Nomination and Remuneration Committee	Nomination and Remuneration Committee of Board of Directors of our Company, constituted in accordance with applicable laws
Non-Executive Non-Independent Director	Satvinder Singh, the Non-Executive Non-Independent Director of our Company
Preference Shares	Preference Shares of our Company of face value of ₹ 10 each

Term	Description
Previous Statutory Auditors	The previous statutory auditors of our Company namely, M/s. Walker Chandiok & Co LLP, Chartered Accountants
Promoters	Our promoters, Harvinder Pal Singh and Satvinder Singh
Promoter Group	Persons and entities constituting the promoter group of the Company, in accordance with the SEBI ICDR Regulations
Fund Raising Committee	The Fund Raising Committee of our Company, a committee duly authorized by our Board
Registered Office	5th Floor, Kundan Bhawan, Azadpur Commercial Complex, Azadpur, North West, Delhi – 110033, India
Risk Management Committee	Risk Management Committee of our Company constituted in accordance with the applicable laws
Registrar of Companies or Registrar or RoC	Registrar of Companies, National Capital Territory of Delhi and Haryana
Satin ESOS 2017	Satin Employee Stock Option Scheme 2017 which was approved pursuant to resolution dated May 26, 2017 passed by the Nomination and Remuneration Committee, resolution dated May 26, 2017 passed by our Board, and special resolution dated July 6, 2017 passed by the Shareholders of our Company, to provide for the grant of options to eligible employees of our Company and/or subsidiaries, in compliance with the SEBI (Share Based Employee Benefits and Sweat Equity) Scheme, 2021.
Senior Management	Senior Management of the Company identified in connection with the Issue under Chapter VI of the SEBI ICDR Regulations. For details, please see "***Board of Directors and Senior Management - Senior Management of our Company***" on page 244
Stakeholders' Relationship Committee	Stakeholders' Relationship Committee of our Company constituted in accordance with the applicable laws
Subsidiaries	The Subsidiaries of our Company, namely, Sating Housing Finance Limited and Satin Finserv Limited
Unaudited Interim Condensed Financial Statements	Unaudited Interim Condensed Consolidated Financial Statements, and Unaudited Interim Condensed Standalone Financial Statements, collectively.
Unaudited Interim Condensed Consolidated Financial Statements	The unaudited interim condensed consolidated financial statements of our Company and its Subsidiaries as of and for the six months ended September 30, 2023, comprising the condensed consolidated balance sheet as at September 30, 2023 and March 31, 2023, the condensed consolidated statement of profit and loss as at September 30, 2023 and September 30, 2022, the consolidated statement of changes in equity and the consolidated statement of cash flows for the period then ended and notes to the condensed interim consolidated financial statements including a summary of the significant accounting policies and other explanatory information, prepared in accordance with the recognition and measurement principles laid down as per the requirements of Ind AS 34 "Interim Financial Reporting" specified under section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India and the report dated December 14, 2023 issued thereon by S S Kothari Mehta & Company, Chartered Accountants, our Statutory Auditors.
Unaudited Interim Condensed Standalone Financial Statements	The unaudited interim condensed standalone financial statements of our Company as of and for the six months ended September 30, 2023, comprising the condensed balance sheet as at September 30, 2023 and March 31, 2023, the condensed statement of profit and loss as at September 30, 2023 and September 30, 2022, the statement of changes in equity and the statement of cash flows for the period then ended and notes to the condensed interim financial statements including a summary of the significant accounting policies and other explanatory information, prepared in accordance with the recognition and measurement principles laid down as per the requirements of Ind AS 34 "Interim Financial Reporting" specified under section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India and the report dated December 14, 2023 issued thereon by S S Kothari Mehta & Company, Chartered Accountants, our Statutory Auditors.
Wilful Defaulter	An entity or person categorised as a wilful defaulter by any bank or financial institution or consortium thereof, in terms of Regulation 2(1)(lll) of the SEBI ICDR Regulation.
Working Committee	Working Committee of our Company, duly constituted and authorised by our Board.

Term	Description
Working Day(s)	Any day other than the second and fourth Saturday of the relevant month or a Sunday or a public holiday or a day on which scheduled commercial banks are authorised or obligated by law to remain closed in Mumbai, India or a trading holiday of the Stock Exchanges, as applicable.

Business and Issue Related Terms

Term	Description
Allocated/Allocation	Allocation of Equity Shares as determined by the Company, in consultation with the Book Running Lead Manager, following the determination of the Issue Price to Eligible QIBs on the basis of Application Forms and Application Amount submitted by Eligible QIBs, in compliance with Chapter VI of the SEBI ICDR Regulations and other applicable law
Allot/Allotment/Allotted	Unless the context otherwise requires, the issue and allotment of Equity Shares pursuant to the Issue
Allottees	Successful Bidders to whom Equity Shares are Allotted pursuant to the Issue
Application Amount	The aggregate amount paid by a Bidder at the time of submitting a Bid in the Issue
Application Form	The form (including any revisions thereof) pursuant to which a Bidder submits a Bid for the Equity Shares in the Issue
Bid(s)	Indication of interest of a Bidder, including all revisions and modifications thereto, as provided in the Application Form, to subscribe for the Equity Shares to be issued pursuant to the Issue
Bid Amount	The amount determined by multiplying the price per Equity Share indicated in the Bid by the number of Equity Shares Bid for by Eligible QIBs and payable by the Eligible QIBs in the Issue on submission of the Application Form
Bid/Issue Closing Date	[●], which is the last date up to which the Application Forms will be accepted by our Company (or the Book Running Lead Manager, on behalf of our Company)
Bid/Issue Opening Date	December 14, 2023, the date on which our Company (or the Book Running Lead Manager on behalf of our Company) commenced acceptance of the Application Forms
Bidder	Any prospective investor, being a QIB, who makes a Bid pursuant to the terms of the serially numbered Preliminary Placement Document and the Application Form sent to it.
Bidding Period	The period between the Bid/Issue Opening Date and Bid/Issue Closing Date inclusive of both dates during which Bidders could submit their Bids including any revision and/or modifications thereof
Book Running Lead Manager or BRLM	JM Financial Limited
CAN or Confirmation of Allocation Note	Note or advice or intimation to successful Bidders confirming Allocation of Equity Shares to such successful Bidders after determination of the Issue Price
Closing Date	The date on which Allotment of Equity Shares pursuant to the Issue shall be made, i.e., on or about [●]
Designated Date	The date of credit of Equity Shares to the demat accounts of successful Bidders
Eligible FPIs	FPIs that are eligible to participate in the Issue in terms of applicable law, other than individuals, corporate bodies and family offices.
Eligible QIBs	A qualified institutional buyer, as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations and which are not restricted from participating in the Issue under the applicable laws, including Regulation 179(2) of the SEBI ICDR Regulations. In addition, QIBs, outside the United States in "offshore transactions" in reliance on Regulation S under the Securities Act. However, FVCIs are not permitted to participate in the Issue.
Escrow Agreement	Agreement dated December 7, 2023, entered into amongst our Company, the Escrow Bank and the Book Running Lead Manager for collection of the Bid Amounts and for remitting refunds, if any, of the amounts collected, to the Bidders
Escrow Bank	IDFC First Bank Limited
Escrow Bank Account	Non-interest bearing, no-lien, current bank account without any cheques or overdraft facilities, to be opened in the name and style "*Satin Creditcare Network Limited – QIP Escrow Account*" with the Escrow Bank, subject to the terms of the Escrow Agreement, into which the Application Amount payable by the Bidders in connection with the subscription to the Equity Shares pursuant to the Issue shall be deposited and from which refunds, if any, shall be remitted, as set out in the Application Form.
Floor Price	The floor price of ₹ 242.81, which has been calculated in accordance with Chapter VI of the SEBI ICDR Regulations. The Company may offer a discount on the Floor Price in accordance with the approval of the Shareholders accorded on November 27, 2023, and

Term	Description
	in terms of Regulation 176(1) of the SEBI ICDR Regulations.
Issue	The issue and Allotment of [●] Equity Shares each at a price of ₹ [●] per Equity Share to Eligible QIBs, including a premium of ₹ [●] per Equity Share, aggregating to an amount up to ₹ [●], pursuant to Chapter VI of the SEBI ICDR Regulations and the applicable provisions of the Companies Act and the rules made thereunder
Issue Price	₹ [●] per Equity Share
Issue Size	The aggregate size of the Issue, which is up to ₹ [●]
Monitoring Agency	India Ratings and Research Private Limited
Monitoring Agency Agreement	Agreement dated December 14, 2023 entered into between our Company and the Monitoring Agency in relation to the responsibilities and obligations of the Monitoring Agency for monitoring the utilisation of proceeds in relation to the Issue.
Mutual Fund	A mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, as amended
Placement Agreement	Placement agreement dated December 14, 2023 entered into between our Company and the Book Running Lead Manager
Placement Document	Placement document to be issued in accordance with Chapter VI of the SEBI ICDR Regulations and the provisions of the Companies Act, 2013 and the rules made thereunder, as amended
Preliminary Placement Document	This preliminary placement document dated December 14, 2023 issued in accordance with Chapter VI of the SEBI ICDR Regulations and the provisions of the Companies Act, 2013, as amended
Pricing Date	The date of determination of the number of Equity Shares to be placed through the Issue and the Issue Price for the same
QIBs or Qualified Institutional Buyers	Qualified institutional buyer, as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
QIP	Qualified institutions placement under Chapter VI of the SEBI ICDR Regulations and applicable provisions of the Companies Act read with the applicable provisions of the PAS Rules
Refund Amount	The aggregate amount to be returned to the Bidders who have not been Allocated Equity Shares for all, or part, of the Application Amount submitted by such Bidder pursuant to the Issue
Refund Intimation	The intimation from our Company to relevant Bidders confirming refund of the Refund Amount to their respective bank accounts
Successful Bidders	The Bidders who have Bid at or above the Issue Price, duly paid the Application Amount with the Application Form and who have been Allocated Equity Shares pursuant to the Issue
Relevant Date	December 14, 2023, which is the date of the meeting of the Board of Directors of the Company or a duly authorised committee thereof on which it is decided to open the Issue

Technical and Industry Related Terms

Term	Description
AAEC	Practices having an appreciable adverse effect on competition in the relevant market in India
Active Customers	Active Customers represent the aggregate number of customers as of the end of the relevant period including customers whose loan accounts have been transferred by our Company by way of securitization or assignment and are active as of the last day of the relevant period
AI	Artificial intelligence
ALM	Asset liability management
AMFIRS	Assam Micro Finance Incentive and Relief Scheme, 2021
AML	Anti-money laundering
AUM	Assets under Management. AUM represents the aggregate of future principal outstanding and overdue principal outstanding, if any, for all loan assets under management which includes loan assets held by the Company as of the last day of the relevant period as well as loan assets which have been transferred by our Company by way of securitization or assignment and are outstanding as of the last day of the relevant period
Average AUM	Average AUM is calculated as average of opening and closing AUM of the relevant period
AUM Growth	AUM Growth represents percentage growth in AUM for the relevant period over AUM of the previous period
Average Cost of Borrowings	Average Cost of Borrowings represents finance cost for the relevant period as a

Term	Description
	percentage of average borrowings (including interest accrued) in such period
Average On-book Portfolio	Average On-book Portfolio is calculated as average of opening and closing On-book Portfolio of the relevant period
Average Ticket Size	the loan amounts disbursed during the relevant period, divided by the number of loans
ANBC	Adjusted net bank credit
Basic Earnings Per Equity Share	Basic earnings per equity share is computed in accordance with Indian Accounting Standard 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended)
BM	Branch manager
CAD	Current account balance
CAGR	Compound annual growth rate
Capital Adequacy Ratio	The capital to risk assets ratio (CRAR) is calculated as capital funds (Tier I capital plus Tier II capital) divided by risk weighted assets (the weighted average of funded and non-funded items after applying the risk weights as assigned by the RBI)
CCI	Competition Commission of India
CGT	Compulsory group training for clients
CIC	Core investment company
Cost of borrowing	Cost of borrowings is calculated as interest expense divided by average of total borrowings
Cost to Income Ratio	Cost to Income Ratio represents operating expense (which is calculated as total expenses including depreciation but excluding credit cost and finance costs) divided by NII (which represents Total Income reduced by finance costs in such period)
CODM	Chief operating decision maker
Competition Act	Competition Act, 2002
CPI	Consumer price index
CRE	Commercial real estate
CRE-RH	Commercial real estate- residential housing
CRAR	Capital to risk weighted assets ratio
CRR	Cash reserve ratio
DBO	Defined benefit organisation
Debt to Equity Ratio	Debt to Equity Ratio represents the ratio of Total Borrowings (including interest accrued) to Net Worth.
Diluted Earnings Per Equity Share	Diluted earnings per equity share is computed in accordance with Indian Accounting Standard 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended)
Disbursement Growth	Disbursement Growth represents percentage growth in disbursement for the relevant period over disbursement of the previous period
DFID	Department of International Development, UK
DPDP Act	Digital Personal Data Protection Act, 2023
EAD	Exposure at default
ECB	External Commercial Borrowings
ECL	Expected credit loss
ECLGS	Emergency Credit Line Guarantee Scheme
EIR	Effective interest rate
EWS	Economic weaker section
FDA	Field development assistants
FEMA	Foreign Exchange Management Act, 2000
Fiscal Year	Financial year starting April 1 and ending March 31 of the immediate subsequent year
Financial Cost Ratio	Financial Cost Ratio represents the ratio of financial cost in the relevant period to the Average AUM (average of opening and closing AUM of the relevant period)
FVOCI	Fair value through other comprehensive income
FVTPL	Fair value through profit or loss
GAAR	General Anti Avoidance Rules
GDP	gross domestic product
GDP (P)	Projected gross domestic product
GDPR	General Data Protection Regulation (EU) 2016/679
GDS	Gross domestic savings
GOI	Government of India
GLP	Gross loan portfolio
Gross NPA Ratio	Gross NPA Ratio represents the Gross NPA to the On-Book Loan Portfolio as of the last day of the relevant period. Gross NPA represents On-Book Loan Portfolio pertaining to loans which are required to be classified as NPA as per the Income Recognition, Asset

Term	Description
	Classification and Provisioning Norms issued and modified by RBI from time to time
Gross Yield	Gross Yield represents the ratio of total income in the relevant period to the Average AUM
GRT	Group recognition tests
HFC	Housing finance company
ICC	Investment and credit company
ICDS	Income Computation and Disclosure Standards
IFAD	International Fund for Agricultural Development, Rome
IGL	collateral-free IGL loans provided to economically active women in both rural and semi-urban areas for several purposes related to agricultural, transportation, trading and production-related business operations
IMF	International Monetary Fund
Ind AS	Indian Accounting Standards as notified by Ministry of Corporate Affairs under Section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time. The
IPO	Initial public offering
IRACP	Income recognition, asset classification and provisioning norms
IT Act	Income Tax Act, 1961
Information Technology Act	Information Technology Act, 2000
JLG	Joint liability group
KYC	Know your customer
LAP	Loan against property
LCR	Liquidity coverage ratio
LGD	Loss given default
LIG	Lower income group
LMS	Loan management system
LTECL	Lifetime expected credit loss
LTL	Long-term loans (Vriddhi) provided to existing customers after the successful completion of the IGL loan cycle, to enable long-term wealth generation
MACC	Mutually agreed code of conduct released by Microfinance Industry Network of India
MAT	Minimum alternate tax
MFI	Micro-finance institution
MFI Peer Group	Top 10 NBFC-MFIs in India in terms of AUM as of June 30, 2023, as provided in the CRISIL Report
MFIN	Microfinance Industry Network of India
Microfinance Loan Directions	Master Direction – Reserve Bank of India (Regulatory Framework for Microfinance Loans) Directions, 2022
ML	Machine learning
MSME	Micro-small and medium enterprises
MSME Loans	Loans extended to micro, small and medium enterprises, small businesses, among others
MUDRA	Micro Units Development & Refinance Agency Ltd
NABARD	National Bank for Agriculture and Rural Development
NBFC	Non-banking financial company
NBFC-BL	NBFC- base layer
NBFCs-Master Direction	Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023-effective October 19, 2023 which supersede the Non-Banking Financial Company–Non-Systemically Important Non-Deposit taking (Reserve Bank) Directions, 2016 and the Non-Banking Financial Company–Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016
NBFC-MFI	Non-banking financial company- microfinance institution
NBFC-ML	NBFC- middle layer
NBFC-UL	NBFC- upper layer
NBFC–ND–SI	Systemically important non-deposit taking NBFCs’
NCD	Non-convertible debenture
NCFE-FLIS	National Financial Literacy and Inclusion Surve
Net Worth	Net Worth represents the sum of equity share capital and other equity as of the last day of the relevant period
Net Interest Income	Net Interest Income represents Total Income reduced by finance costs in such relevant period
Net Interest Margin	Net interest margin, represents the Net Interest Income on the loans for a period to the average AUM for the period, represented as a percentage
NMFSP	National Microfinance Support Program

Term	Description
NNPA	Net non-performing assets
NOF	Net-owned funds
NPA	Non-performing asset
NPC	National Population Commission
NSFR	Net stable funding ratio
NSO	National Statistics Office
NTC	New to credit
OCI	Other comprehensive income
On-book Portfolio	On-book Portfolio represents the aggregate of future principal outstanding and overdue principal outstanding, if any, for all loan assets under management which includes loan assets held by the Company as of the last day of the relevant period and are outstanding as of the last day of the relevant period
Operating Expenses	Operating Expenses is calculated as total expenses including depreciation but excluding credit cost and finance costs
Opex Ratio	Operating Expenses Ratio represents the ratio of the Operating Expenses (expenses including depreciation but excluding credit cost and finance costs) to the Average AUM (average of opening and closing AUM of the relevant period)
OTP	One-time password
PAR	Portfolio at risk
PD	Probability of default
PMAY	Pradhan Mantri Awas Yojana
PMJDY	Pradhan Mantri Jan Dhan Yojana
PMJJBY	Pradhan Mantri Jeevan Jyoti Bima Yojana
PMBSY	Pradhan Mantri Suraksha Bima Yojana
PLI	Production Linked Incentive
Product Financing	Customized loans offered to assist local communities in several parts of the country to provide access to clean energy, better transportation, business loans as well as consumer durables such as televisions, refrigerators, mobile phones, kitchen appliances and dinner sets.
PSL	Public-sector lending
PTC	Pass through certificate that is given to an investor against certain mortgaged-backed securities that lie with the issuer.
RoA	RoA represents ratio of PAT to the Average Total Assets (average of opening and closing Total Assets as per balance sheet of the relevant period)
RoE	RoE represents ratio of PAT to the average Net worth (average of opening and closing Net worth as per balance sheet of the relevant period
ROI	Return on investment
RBI	Reserve Bank of India
SBR	Scale based regulations
SFB	Small finance bank
SHG	Self-help groups
SIDBI	Small Industries Development Bank of India
SLR	Statutory liquidity ratio
SLTRO	Special long-term repo operation
SME	Small and medium enterprises
SPOC	In-house customer support system reinforces our commitment to delivering excellent customer service at every touchpoint, if a complaint requires further attention, it is escalated to the Sparsh Single Point of Contact (SPOC) at our head office.
SRO	Self-regulatory organisation
SPPI	Solely payments of principal and interest
STEP	Support to Training and Employment Programme for Women
Tier I Capital	Tier I Capital includes (i) paid-up capital (ordinary shares), statutory reserves, and other disclosed free reserves, if any; (ii) perpetual noncumulative preference shares eligible for inclusion as Tier I capital, subject to laws in force from time to time; (iii) innovative perpetual debt instruments eligible for inclusion as Tier I capital; and (iv) capital reserves representing surplus arising out of sale proceeds of assets, as reduced by investment in shares of other NBFCs and in shares, debentures, bonds, outstanding loans and advances, including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, 10% of the owned fund as defined in the Master Circular on Prudential Norms on Capital Adequacy, Basel I Framework dated July 1, 2015 issued by the RBI. Total risk weighted assets represents the weighted average of funded and nonfunded items after applying the risk weights as assigned by the

Term	Description
	RBI
Tier I Capital Ratio	Tier I Capital Ratio represents the ratio of Tier I Capital to total risk weighted assets. Total risk weighted assets represents the weighted average of funded and nonfunded items after applying the risk weights as assigned by the RBI
Tier II Capital	Tier II capital include undisclosed reserves, revaluation reserves, general provisions and loss reserves, hybrid capital instruments, subordinated debt and investment reserve account to the extent the aggregate does not exceed Tier I Capital
Tier II Capital Ratio	Tier II Capital represents the ratio of Tier II Capital as a percentage of risk weighted assets. Total risk weighted assets represents the weighted average of funded and nonfunded items after applying the risk weights as assigned by the RBI
Total Assets	Total Assets represents the total assets as of the last day of the relevant period
Total Borrowings	Total Borrowings represents the aggregate of debt securities, borrowings (other than debt securities) and subordinated liabilities as of the last day of the relevant period
Total Active Loan Accounts	Total Active Loan Accounts represent the aggregate number of loan accounts outstanding as of the end of the relevant period including loan accounts which have been transferred by our Company by way of securitization or assignment and are outstanding as of the last day of the relevant period
TLTRO	Targeted long-term repo operations
Top-up Loan	These Madhya Vriddhi Loans supports customers in enhancing their financial capabilities by offering top-up loans. These loans are exclusively provided to IGL customers with a commendable repayment history
WASH Loans	WASH loans are provided to enable customers to avail affordable credit so as to secure the basic necessities of life, like sanitation and hygiene, these loans facilitate multiple purposes like setting up filtration units, tap water, house water connections, water storage facilities within the households, toilet construction/improvement

Conventional and General Terms/Abbreviations

Term	Description
₹/Rupees/INR/Rs.	Indian Rupees
AGM	Annual general meeting
AIF(s)	Alternative investment funds, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended
AS	Accounting Standards
BSE	BSE Limited
Calendar Year	Year ending on December 31 of the relevant year
CDSL	Central Depository Services (India) Limited
CEO	Chief executive officer
CIBIL	TransUnion CIBIL Limited
CIN	Corporate identity number
Civil Procedure Code / C. P. C	The Code of Civil Procedure, 1908, as amended
Companies Act	The Companies Act, 1956 or the Companies Act, 2013, as applicable
Companies Act, 1956	The Companies Act, 1956 and the rules made thereunder (without reference to the provisions thereof that have ceased to have effect upon the notification of the Notified Sections)
Companies Act, 2013	The Companies Act, 2013 and the rules made thereunder to the extent in force pursuant to the notification of the Notified Sections
Competition Act	The Competition Act, 2002
Depositories Act	The Depositories Act, 1996
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participant) Regulations, 2018, as amended
Depository Participant	A depository participant as defined under the Depositories Act
DIN	Director identification number
EGM	Extraordinary general meeting
EURO/ € / EUR	The official currency of the European Union (EU)
FBIL	Financial Benchmarks of India Private Limited
FDI	Foreign Direct Investment
FDI Policy	Consolidated Foreign Direct Investment Policy notified under Circular No. D/o IPP F. No. 5(1)/2017-FC-1, effective from August 28, 2017, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of

Term	Description
	India, and any modifications thereto or substitutions thereof, issued from time to time
FEMA	Foreign Exchange Management Act, 1999, as amended together with rules and regulations thereunder
Financial Year/Fiscal Year /Fiscal	Period of 12 months ended March 31 of that particular year, unless otherwise stated
Form PAS-4	Form PAS-4 as prescribed under the PAS Rules
FPI	Foreign portfolio investors as defined under the SEBI FPI Regulations and includes a person who has been registered under the SEBI FPI Regulations.
FVCI	Foreign venture capital investors as defined under and registered with SEBI pursuant to the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 registered with SEBI
GoI/Government	Government of India
GST	Goods and Service Tax
HUF	Hindu Undivided Family
IND-AS	Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013, as notified under Rule 3 of Companies (Indian Accounting Standard) Rules, 2015
Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
IPC	Indian Penal Code, 1860
IRDAI	Insurance Regulatory and Development Authority of India
IT Act/Income Tax Act	Income Tax Act, 1961, as amended
MCA	Ministry of Corporate Affairs
NA	Not applicable
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FPIs and FVCIs
Non-Resident Indian/NRI	A person resident outside India, as defined in the FEMA (Deposit) Regulations, 2000
Notified Sections	The sections of Companies Act, 2013 that have been notified by the MCA and are currently in effect
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
p.a	Per annum
PAN	Permanent account number allotted under the I.T. Act
PAS Rules	Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended
PAT	Profit after tax
RBI	Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934, as amended
Regulation S	Regulation S under the Securities Act
RoC	Registrar of Companies, National Capital Territory of Delhi and Haryana
RSU	Restricted Stock Unit
SCRA	Securities Contracts (Regulation) Act, 1956, as amended
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended
SEBI	Securities and Exchange Board of India
SEBI Act	The Securities and Exchange Board of India Act, 1992, as amended
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, as amended
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
State Government	The government of a state of the Union of India
Stock Exchanges	BSE and NSE
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
Securities Act	Securities Act of 1933, as amended
U.K.	United Kingdom
US$ / USD / U.S. dollar	United States Dollar, the legal currency of the United States of America
USA/U.S./United States	United States of America
VCF	Venture capital fund as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the SEBI AIF Regulations, as the case may be

SUMMARY OF BUSINESS

Overview

We are a financial services group with diversified product portfolio and geographical presence focused on providing a comprehensive range of products and services to the financially unserved and under-served community. As of September 30, 2023, we have 32.14 lakhs active customers and 33.35 lakhs loan accounts, who are served by our 1,335 branches situated in 412 districts and 96,000 villages across 24 Indian states and union territories.

Over the years, we have rapidly scaled our operations while maintaining our asset quality. Our AUM was ₹10,099.84 crores as of September 30, 2023. Further, our Company is amongst the top 10 leading NBFC-MFIs in India, in terms of AUM, with a market share of 5.46% as of June 30, 2023, on a standalone basis. (*Source: CRISIL Report*). In terms of disbursements, we experienced a significant year-on-year growth of 66.55%, for the financial year ended March 31, 2023, and recorded our highest ever disbursement of Rs 8,087.06 crores. Additionally, for the six-month period ended September 30, 2023, we recorded a disbursement of ₹ 4,524.52 crores, as compared to ₹ 3,418.07 crores recorded for the six-month period ended September 30, 2022.

Our Company started its operations in 1990 as a provider of low-ticket finance. It registered as an NBFC with the RBI in 1998 and was converted into an NBFC-MFI in November 2013. It currently has two wholly owned subsidiaries: Satin Housing Finance Limited (SHFL) which provides affordable housing finance loans to salaried individuals, self-employed professionals and individuals belonging to the middle and low-income groups who reside in the outskirts of tier-II and below cities, and Satin Finserv Limited (SFL) which offers small ticket-size secured retail MSME/SME loans. Our Company also had a subsidiary, Taraashna Financial Services Limited (TFSL), which was involved in business correspondent (BC) operations, which has now merged into SFL. For further details on the product-wise AUM, see "***Selected Statistical Information***" on page 61.

Our microfinance business is primarily based on the Joint Liability Group (**JLG**) model of providing collateral free, microcredit facilities to economically active women in both rural and semi-urban areas, who otherwise have limited access to mainstream financial credit products. We also offer loans to MSMEs, housing finance loans, product loans for financing purchase of solar lamps and consumer durables and loans for development of water connection and sanitation facilities.

Set forth are the details of our key offerings:

i) MFI Portfolio

Our MFI portfolio comprises of the below-mentioned individual loan offerings. As of September 30, 2023, loans offered under the MFI portfolio accounted for 88.28% of our total AUM while in the six months ended September 30, 2023, disbursements in this offering accounted for 93.11% of our total disbursements by value.

Income Generation Loan (IGL): We provide collateral-free IGL loans (Prarambh) to economically active women in both rural and semi-urban areas for several purposes related to agricultural, transportation and trading related business operations.

Long Term Loan (LTL): Long-term loans (Vriddhi) are provided to existing customers after the successful completion of the IGL loan cycle, to enable long-term wealth generation.

Product Financing: These are customized cross-selling loans offered on the main loans availed by customers to assist local communities in several parts of the country to gain access to clean energy, better transportation as well as consumer durables such as televisions, refrigerators, mobile phones and washing machines.

WASH Loan: We provide WASH loans to enable customers to avail affordable credit so as to secure the basic necessities of life, like sanitation and hygiene. These loans facilitate multiple purposes like setting up water pumps, bore wells and toilet construction/improvement.

ii) *Non-MFI Portfolio*

Our Non-MFI portfolio is primarily divided into loans to MSMEs and Housing Finance Loans.

Housing Finance*:* We provide affordable housing finance loans to salaried individuals, self-employed professionals, individuals belonging to the middle and low-income groups who reside in the outskirts of tier-II and below cities to own, construct, purchase, extend, repair, or upgrade houses. As of September 30, 2023, home loans accounted for 5.62% of our total AUM while in the six months ended September 30, 2023, disbursements in this offering accounted for 3.23% of our total disbursements by value.

Loans to Micro, Small and Medium Enterprises Loan (MSMEs)*:* We provide loans to micro, small and medium enterprises (MSMEs). Our aim is to assist them by fulfilling their working capital requirements and facilitating their business expansions. As of September 30, 2023, loans to MSMEs accounted for 6.10% of our total AUM while in the six months ended September 30, 2023, disbursements in this offering accounted for 3.66% of our total disbursements by value.

Initially, at the time of commencement of our JLG operations, our Company's branches were primarily located in the North Indian states and it has now grown to become the most diversified MFI, amongst its peer set with operations in 24 states and union territories as of June 30, 2023 (*Source: CRISIL Report*), including Uttar Pradesh, Bihar, Madhya Pradesh, Punjab, Uttarakhand, Rajasthan, Haryana, Maharashtra, Delhi NCR, Jharkhand, Chhattisgarh, Tamil Nadu, Gujarat, West Bengal, Orissa, Karnataka, Tripura, Jammu and Kashmir, Pondicherry, Himachal Pradesh, Sikkim, Meghalaya, Arunachal Pradesh and Assam. Further, in terms of overall AUM concentration as well: our top four states contribute to 54.34% of our AUM; the next six states contribute to 29.07% of our AUM; and the remaining states and union territories contribute to 16.59% of our AUM as of September 30, 2023, which indicates our concerted efforts towards reducing regional concentration. Our operations are also well-diversified at the district level. Around 96.40% of the districts, where we had branches as of September 30, 2023, individually represent less than 1.00% of our AUM.

We have a large and diversified network of 72 lenders comprising a range of banks, NBFCs, domestic financial institutions and overseas funds, on a standalone basis. We continue to meet our borrowing requirements through term loans, non-convertible debentures, sub-debt and ECBs. The diversification of the sources of funds has allowed us to strengthen our liquidity position. Our Average Cost of Borrowings, as a percentage of the total borrowings, in Fiscal 2021, 2022, 2023 and the six months ended September 30, 2022, and September 30, 2023 was 10.19%, 10.87%, 10.34%, 5.44% and 5.48% respectively. In order to further reduce our borrowing costs, we have also securitized and assigned through bilateral transactions a certain portion of the receivables from our loan portfolio to banks and other institutions.

Despite the cyclical changes in the economy as well as the industry in which we operate, we have been able to grow our business and we believe that we have gained a comprehensive understanding of the markets and the industry. We implemented strategic changes during demonetization such as strengthening our management team, diversifying out of unsecured MFI portfolio by incorporating subsidiaries in housing and MSME finance, changing centre meeting to bi-weekly and process re-engineering which enabled us to optimise our operations. During the COVID-19 pandemic, we invested in technology and implemented several additional measures such as an integrated payment getaway on our official websites and QR codes on our loan cards which enabled easier collection of EMIs and loan repayments from customers who had relocated temporarily for business purposes.

We have implemented digitization across our operational value chain, from customer onboarding to loan disbursement and collection and delivered paperless transactions through our loan management system ("LMS"), which is compliant with the ISO 27001:2013 standard. 100% of our disbursement are through the cashless mode and 92.38% of our branches have implemented paperless operations through the electronic verification of our customers' credentials. For the six-month period ended September 30, 2023, 29.47% of our repayments were collected through cashless mode (including cash collected and dropped by our field employee at the retail outlets of our service and technical partners). Further, we have also created an in-house customer service application which enables the availability of the customer's repayment schedule on a real-time basis and facilitates quick and efficient repayment through UPI and RuPay.

We have also constantly striven to implement environmental, social and governance factors in our business operations and were recently assigned "AA" ESG rating by ESG Risk Assessments & Insights Ltd. We offer customized loans to facilitate customers' access to safe water and sanitation facilities and clean energy loans like solar and bicycle loans. Through our customised product offerings, we have empowered 838,808 households with clean energy and contributed to a reduction of 44,528 tons of carbon dioxide emissions as of July 31, 2023. Our Company has been conferred with the "Best Innovative Financial Accessibility Model" award for its WASH loans at the ISC-FICCI Sanitation Awards. Our green loan partner, D. Light, has also recognized us for our contribution towards facilitating access to affordable & sustainable impact products. In addition, we have remained steadfast in our commitment towards social initiatives and have conducted regular campaigns including organizing campaigns to increase financial literacy among our clients.

We have an experienced management team, led by HP Singh, our Company's Promoter and Chairman cum Managing Director, who has over three decades of experience in the financial services sector. We believe that the vision and leadership of our management team has contributed to our consistent and positive performance in the past and will drive our strategic growth in the future.

The following table sets out certain key financial and operational parameters for the relevant periods:

Particulars	**As of/for the financial year ended March 31,**			**As of/for the six-month period ended September 30,**	
	2021	**2022**	**2023**	**2022**	**2023**
AUM[1] (in ₹ crores)	8,378.58	7,617.24	9,115.39	7,575.34	10,099.84
AUM Growth (%)[2]	2.51	(9.09)	19.67	2.63	33.33%
Non-MFI share (%)	7.95	10.98	12.32	12.75	11.72
Average AUM (₹ in crores)[10]	8,276.12	7,997.91	8,366.32	7,596.30	9,607.62
On-book Portfolio (₹ in crores)[11]	6,000.54	5,603.66	6,337.03	5,518.34	7,356.67
Average On-book Portfolio (₹ in crores)[12]	5,435.42	5,802.10	5,970.34	5,561.00	6,846.85
Disbursements (₹ in crores)[3]	5,012.12	4,855.51	8,087.06	3,418.07	4,524.52
Average monthly disbursement (in ₹ crores)	417.68	404.63	673.92	569.68	754.09
Disbursement Growth (%)[4]	(44.16)	(3.12)	66.55	114.01	32.37
Active Customers[5] (in lakhs)	30.51	28.12	28.34	26.81	32.14
Number of branches	1,266	1,232	1,286	1,244	1,335
Number of Total Active Loan Accounts[6] (in lakhs)	33.74	30.01	29.63	28.25	33.35
Non-MFI share (%)	7.95	10.98	12.32	12.75	11.72
Return on Assets (%)[7]	(0.18)	0.26	0.06	(2.03)	2.26
Return on Equity (%)[8]	(0.95)	1.35	0.30	(10.04)	11.03
Net Interest Margin (%)[13]	8.97	9.38	11.26	5.30	6.20
Operating Expense (in ₹ lakhs) [14]	45,018.64	50,570.24	52,792.26	26,540.25	28,985.55
Opex Ratio [15]	5.44	6.32	6.31	3.49	3.02
Cost-to-Income Ratio (%)[16]	60.65	67.41	56.03	65.98	48.70
Net Interest Income (in ₹ lakhs) [9]	74,230.97	75,017.87	94,229.23	40,225.40	59,519.34
Impairment of financial instruments (in ₹ lakhs) [17]	27,902.65	18,073.66	40,808.22	33,747.25	4,657.46
Credit Cost (including provision made under FLDG arrangement) (in ₹ lakhs) [18]	30,187.72	21,029.77	40,912.91	34,209.14	4,470.85
Profit/(Loss) After Tax (in ₹ lakhs) [19]	(1,398.22)	2,069.89	481.31	(15,250.04)	19,464.96
Provisioning (in ₹ lakhs) [20]	29,332.88	35,289.11	12,923.32	15,718.26	13,581.41
Net Worth (in ₹ lakhs) [21]	1,48,616.46	1,58,185.34	1,62,812.43	1,45,507.07	1,90,019.29

Notes:

[1] AUM represents the aggregate of future principal outstanding and overdue principal outstanding, if any, for all loan assets under management which includes loan assets held by the Company as of the last day of the relevant period as well as loan assets which have been transferred by our Company by way of securitization or assignment and are outstanding as of the last day of the relevant period

[2] AUM Growth represents percentage growth in AUM for the relevant period over AUM of the previous period

[3] Disbursements represent the aggregate of all loan amounts extended to our customers in the relevant period

[4] Disbursement Growth represents percentage growth in disbursement for the relevant period over disbursement of the previous period

[5] *Active Customers represent the aggregate number of customers as of the end of the relevant period including customers whose loan accounts have been transferred by our Company by way of securitization or assignment and are active as of the last day of the relevant period*
[6] *Total Active Loan Accounts represent the aggregate number of loan accounts outstanding as of the end of the relevant period including loan accounts which have been transferred by our Company by way of securitization or assignment and are outstanding as of the last day of the relevant period*
[7] *RoA represents ratio of PAT to the Average Total Assets (average of opening and closing Total Assets as per balance sheet of the relevant period)*
[8] *RoE represents ratio of PAT to the average Net worth (average of opening and closing Net worth as per balance sheet of the relevant period*
[9] *Net Interest Income represents Total Income reduced by finance costs in such period*
[10] *Average AUM is calculated as average of opening and closing AUM of the relevant period*
[11] *On-book Portfolio represents the aggregate of future principal outstanding and overdue principal outstanding, if any, for all loan assets under management which includes loan assets held by the Company as of the last day of the relevant period and are outstanding as of the last day of the relevant period*
[12] *Average On-book Portfolio is calculated as average of opening and closing On-book Portfolio of the relevant period*
[13] *Net Interest Margin represents the difference between the Gross Yield and the Financial Cost Ratio*
[14] *Operating Expenses is calculated as total expenses including depreciation but excluding credit cost and finance costs*
[15] *Operating Expenses Ratio represents the ratio of the Operating Expenses (expenses including depreciation but excluding credit cost and finance costs) to the Average AUM (average of opening and closing AUM of the relevant period)*
[16] *Cost to Income Ratio represents operating expense (defined as above) divided by NII (defined above)*
[17] *Impairment of financial instruments implies credit costs (excluding provision made under FLDG arrangement)*
[18] *Credit Cost implies Impairment of financial instruments including provision made under FLDG arrangement*
[19] *Profit/Loss After Tax represents our profit/(loss) for the period*
[20] *Provisioning represents the impairment on On-book Portfolio loans based on the ECL methodology*
[21] *Net Worth represents sum of other equity and equity share capital as of the last day of the relevant period*

Our Competitive Strengths

1. Leading MFI with widespread and diversified geographical presence
2. Comprehensive understanding of the industry leading to consistent and sustainable growth in our operations
3. Customer-centric business model resulting in high customer retention
4. Sound operational performance and liquidity
5. Diverse funding sources with substantial promoter shareholding
6. Stringent customer selection and risk management framework leading to healthy asset quality

Our Strategies

1. Deepen, expand and continue to profitably grow our microfinance business through geographical diversification and increased penetration in the states in which we operate
2. Improve the quality of our asset portfolio
3. Diversify our product offerings and leverage distribution reach to cross-sell new products
4. Continue to diversify our source of funds and widen our lender base to scale our borrowing requirements while lowering costs
5. Focus on optimizing operating costs and improving operational efficiencies through digital innovation and improved employee productivity

For further details, see "***Our Business***" on page 217.

SUMMARY OF THE ISSUE

The following is a general summary of the terms of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Preliminary Placement Document, including the sections "***Risk Factors***", "***Use of Proceeds***", "***Placement and Lock-up***", "***Issue Procedure***" and "***Description of the Equity Shares***" on pages 77, 117, 272, 259 and 286, respectively.

<table>
<tr><td>Issuer</td><td>Satin Creditcare Network Limited</td></tr>
<tr><td>Face Value</td><td>₹10 per Equity Share</td></tr>
<tr><td>Floor Price</td><td>The floor price calculated on the basis of Regulation 176 of Chapter VI of the SEBI ICDR Regulations is ₹ 242.81 per Equity Share.

Our Board may, in consultation with the Book Running Lead Manager, offer a discount of not more than 5% on the Floor Price in accordance with the approval of our Board by way of Board resolution dated October 19, 2023 and of our shareholders accorded through their special resolution dated November 27, 2023, and in terms of Regulation 176 of the SEBI ICDR Regulations.</td></tr>
<tr><td>Issue Price</td><td>₹ [●] per Equity Share</td></tr>
<tr><td>Issue Size</td><td>The issue of [●] Equity Shares, aggregating to an amount up to ₹ [●]

A minimum of 10% of the Issue Size, i.e., up to [●] Equity Shares shall be available for Allocation to Mutual Funds only and the balance [●] Equity Shares shall be available for Allocation to all Eligible QIBs, including Mutual Funds. In case of under-subscription in the portion available for Allocation to Mutual Funds, such undersubscribed portion may be Allotted to other Eligible QIBs.</td></tr>
<tr><td>Date of Board Resolution</td><td>October 19, 2023</td></tr>
<tr><td>Date of Shareholders' Resolution</td><td>November 27, 2023</td></tr>
<tr><td>Eligible Investors</td><td>Eligible QIBs, as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations to whom this Preliminary Placement Document and the Application Form are delivered and who are not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations or restricted from participating in this Issue under the SEBI ICDR Regulations. See "Issue Procedure – Qualified Institutional Buyers", "Selling Restrictions" and "Transfer Restrictions" on pages 259, 274 and 281, respectively.

The list of Eligible QIBs to whom this Preliminary Placement Document and Application Form is delivered shall be determined by the Company, in consultation with the Book Running Lead Manager, at their sole discretion.</td></tr>
<tr><td>Equity Shares immediately prior to the Issue</td><td>The Equity Shares immediately prior to the Issue are as specified in the table below:

<table>
<tr><th>S. No.</th><th>Capital</th><th>Equity Shares</th></tr>
<tr><td>1.</td><td>Issued Capital</td><td>9,97,59,661 Equity Shares of face value of ₹ 10 each</td></tr>
<tr><td>2.</td><td>Subscribed Capital</td><td>9,97,59,277* Equity Shares of face value of ₹ 10 each</td></tr>
<tr><td>3.</td><td>Paid-up capital</td><td>9,96,34,381** Equity Shares of face value of ₹ 10 each</td></tr>
</table>

* 384 Equity Shares issued to a shareholder pursuant to right issue have been kept in abeyance.
** Pursuant to a resolution of Board dated April 19, 2000 and resolutions passed by the Rights Issue Committee of the Board dated June 9, 2021 and October 5, 2021, total of 124,896 Equity Shares allotted to certain shareholders of the Company were forfeited, and accordingly are reduced from paid up equity share capital of our Company. For details, see "Capital Structure - Equity Share capital history of our Company" on page 122 of this Preliminary Placement Document.</td></tr>
<tr><td>Equity Shares immediately after the Issue</td><td>The Equity Shares immediately after the Issue are as specified in the table below:

<table>
<tr><th>S. No.</th><th>Capital</th><th>Equity Shares</th></tr>
<tr><td>1.</td><td>Issued Capital</td><td>[●] Equity Shares</td></tr>
<tr><td>2.</td><td>Subscribed Capital</td><td>[●]* Equity Shares</td></tr>
<tr><td>3.</td><td>Paid-up capital</td><td>[●]** Equity Shares</td></tr>
</table>
* 384 Equity Shares issued to a shareholder pursuant to right issue have been kept in abeyance.
** Pursuant to a resolution of Board dated April 19, 2000 and resolutions passed by the Rights</td></tr>
</table>

	*Issue Committee of the Board dated June 9, 2021 and October 5, 2021, total of 124,896 Equity Shares allotted to certain shareholders of the Company were forfeited, and accordingly are reduced from paid up equity share capital of our Company. For details, see "**Capital Structure - Equity Share capital history of our Company**" on page 122 of this Preliminary Placement Document.*
Issue Procedure	The Issue is being made only to Eligible QIBs in reliance on Section 42 of the Companies Act, 2013 read with Rule 14 of the PAS Rules, and all other applicable provisions of the Companies Act, read with Chapter VI of the SEBI ICDR Regulations. For details, please see the section titled "***Issue Procedure***" on page 259.
Listing	Our Company has obtained in-principle approvals from each of the BSE and NSE on December 14, 2023, in terms of Regulation 28(1)(a) of the SEBI Listing Regulations for listing of the Equity Shares to be issued pursuant to the Issue. Our Company shall make an application to each of the Stock Exchanges after Allotment to obtain final listing and trading approvals for the Equity Shares.
Trading	The trading of the Equity Shares would be in dematerialized form and only in the cash segment of each of the Stock Exchanges.
Lock-up	For details in relation to lock-up, see "***Placement and Lock-up- Lock-up***" on page 272.
Transferability Restrictions	The Equity Shares being Allotted pursuant to the Issue shall not be sold for a period of one year from the date of Allotment, except on the Stock Exchanges. For details in relation to other transfer restrictions, see "***Transfer Restrictions***" on page 281.
Use of Proceeds	The gross proceeds from the Issue will be aggregating to ₹ [●] lakhs. The net proceeds from the Issue, after deducting fees, commissions and expenses of the Issue, will be for an amount of approximately ₹ [●] lakhs. See "***Use of Proceeds***" on page 117 for additional information
Risk Factors	See "***Risk Factors***" on page 77 for a discussion of risks you should consider before deciding whether to subscribe for the Equity Shares
Dividend	See "***Description of the Equity Shares***" and "***Dividend Policy***" on pages 286 and 128, respectively.
Indian Taxation	See "***Taxation***" on page 289.
Closing Date	The Allotment of the Equity Shares offered pursuant to the Issue is expected to be made on or about [●].
Ranking	The Equity Shares to be issued pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association and shall rank *pari passu* with the existing Equity Shares of our Company, including rights in respect of voting rights and dividends. The shareholders of our Company (as on Record Date) will be entitled to participate in dividends and other corporate benefits, if any, declared by our Company after the Closing Date, in compliance with the Companies Act, 2013, the SEBI Listing Regulations and other applicable laws and regulations. Shareholders of our Company may attend and vote in shareholders' meetings in accordance with the provisions of the Companies Act, 2013. For details, see "***Description of the Equity Shares- Dividend***" and "***Dividend Policy***" on pages 286 and 128, respectively.
Voting Rights	See "***Description of the Equity Shares – Voting Rights***" on page 287.
Security Codes for the Equity Shares	ISIN: INE836B01017 BSE Code: 539404 NSE Symbol: SATIN

SUMMARY FINANCIAL INFORMATION

*The following tables set forth our summary financial information and should be read together with the more detailed information contained in "**Management's Discussion and Analysis of Financial Condition and Results of Operations**" and our financial statements, including the notes thereto and the reports thereon, which appear in "**Financial Information**" on pages 130 and 302, respectively. This summary financial information is derived from the Audited Financial Statements as of and for the financial years ended March 31, 2021, March 31, 2022, and March 31, 2023 and the Unaudited Interim Condensed Financial Statements for the six-months period ended September 30, 2023, prepared under recognition and measurement principles of Ind AS.*

Index to summary financial information

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SATIN CREDITCARE NETWORK LIMITED
Standalone Balance Sheet as at March 31, 2021
(All amounts in Lakhs, unless otherwise stated)

	As at March 31, 2021	As at March 31, 2020
ASSETS		
Financial assets		
Cash and cash equivalents	1,12,068.58	1,10,732.02
Bank balances other than cash and cash equivalents	74,195.31	65,434.15
Derivative financial instruments	34.13	673.63
Trade receivables	1,460.92	613.14
Loans	5,51,496.23	4,70,939.10
Investments	28,318.30	51,333.45
Other financial assets	3,156.42	1,758.77
	7,70,729.89	**7,01,484.26**
Non-financial assets		
Current tax assets (net)	-	3,152.99
Deferred tax assets (net)	4,609.86	-
Investment Property	693.73	-
Property, plant and equipment	8,384.37	5,241.24
Capital work-in-progress	364.96	3,413.64
Other intangible assets	288.79	378.17
Other non-financial assets	2,379.82	1,752.61
	16,721.53	**13,938.65**
TOTAL ASSETS	**7,87,451.42**	**7,15,422.91**
LIABILITIES AND EQUITY		
LIABILITIES		
Financial liabilities		
Payables		
Trade payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	81.38
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	792.62	300.99
Other payables		
(i) total outstanding dues of micro enterprises and small enterprises	223.90	227.71
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1,434.68	1,220.08
Debt securities	1,70,507.14	86,386.14
Borrowings (other than debt securities)	3,81,643.15	4,00,213.72
Subordinated liabilities	50,412.79	54,308.13
Other financial liabilities	30,432.44	24,400.91
	6,35,446.72	**5,67,139.06**
Non-financial liabilities		
Current tax liabilities (net)	893.52	-
Provisions	1,316.16	1,086.40
Deferred tax liabilities (net)	-	1,142.04
Other non-financial liabilities	689.79	778.45
	2,899.47	**3,006.89**
EQUITY		
Equity share capital	6,647.12	5,171.27
Other equity	1,42,458.11	1,40,105.69
	1,49,105.23	**1,45,276.96**
TOTAL LIABILITIES AND EQUITY	**7,87,451.42**	**7,15,422.91**

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

	For the year ended March 31, 2021	For the year ended March 31, 2020
I. Income		
Revenue from operations		
Interest income	1,11,686.08	1,07,844.38
Dividend income	-	2.21
Fees and commission income	4,169.16	7,078.65
Net gain on fair value changes	-	1,237.44
Net gain on derecognition of financial instruments	11,042.73	23,608.14
Other operating income	204.93	186.29
Total revenue from operations	**1,27,102.90**	**1,39,957.11**
Other income	204.62	133.30
Total income	**1,27,307.52**	**1,40,090.41**
II. Expenses		
Finance costs	61,760.83	57,686.12
Net loss on fair value changes	645.30	-
Impairment on financial instruments	27,521.24	18,882.89
Employee benefits expenses	28,141.88	29,666.79
Depreciation and amortisation	1,301.32	1,519.84
Other expenses	8,913.23	11,018.01
Total expenses	**1,28,283.80**	**1,18,773.65**
(Loss)/profit before tax	**(976.28)**	**21,316.76**
Tax expense:		
Current tax	4,962.74	5,474.97
Deferred tax charge	(4,583.53)	215.08
Total	**379.21**	**5,690.05**
(Loss)/profit after tax	**(1,355.49)**	**15,626.71**
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Re-measurements of the defined benefit plans	(86.62)	87.80
Income tax relating to above items	21.80	(22.10)
	(64.82)	**65.70**
Items that will be reclassified to profit or loss		
Changes in fair value of loan assets	(4,489.73)	5,771.41
Income tax relating to above item	1,129.99	(1,452.55)
Cash flow hedge reserve	(65.89)	93.37
Income tax relating to above item	16.58	(23.50)
	(3,409.05)	**4,388.73**
Other comprehensive income	**(3,473.87)**	**4,454.43**
Total comprehensive income for the period	**(4,829.36)**	**20,081.14**
Earnings per equity share (face value of ₹ 10 per equity share)		
Basic (₹)	(2.19)	29.07
Diluted (₹)	(2.19)	28.93

SATIN CREDITCARE NETWORK LIMITED
Standalone cash flow statement for the year ended March 31, 2021
(All amounts in ₹ Lakhs, unless otherwise stated)

	For the year ended March 31, 2021	For the year ended March 31, 2020
A Cash flow from operating activities		
(Loss)/profit before tax	(976.28)	21,316.76
Adjustments for:		
Depreciation and amortisation	994.09	1,032.71
Depreciation of right-of-use assets	307.23	487.13
Net gain on derecognition of property, plant and equipment	(9.37)	(2.90)
Fair value gain on mutual funds	(4.91)	(1,368.20)
Unrealised (gain)/loss on fair value changes of derivatives and investments	650.21	130.76
Property, plant and equipment written off	6.05	-
Impairment on financial instruments	27,521.24	18,882.89
Dividend income	-	(2.21)
Gain on sale of loan portfolio through assignment	(11,042.73)	(23,608.14)
First loss default guarantee expenses	1,155.20	1,278.78
Share based payment to employees	19.02	147.97
Effective interest rate adjustment for financial instruments	2,198.58	2,087.29
Interest expense for leasing arrangements	78.58	161.98
Net gain on termination of leases	(5.41)	(45.32)
Corporate guarantee premium income	(7.23)	(0.38)
Unrealised exchange fluctuation loss (net)	(381.17)	188.49
Operating profit before working capital changes	**20,503.10**	**20,687.61**
Movement in working capital		
(Increase)/decrease in trade receivables	(847.78)	38.42
Increase in loans	(1,01,293.09)	(13,987.33)
(Increase)/decrease in deposits	(8,761.16)	3,962.37
Increase in other financial assets	(1,727.63)	(157.49)
Increase in other non-financial assets	(707.36)	(1,048.32)
Increase in trade and other payables	621.04	630.64
Increase/(decrease) in other financial liabilities	4,883.56	(4,470.80)
Increase/(decrease) in provisions	143.14	(180.24)
(Decrease)/increase in other non-financial liabilities	(154.55)	83.76
Cash (used in)/generated from operating activities post working capital changes	**(87,340.73)**	**5,558.62**
Income tax paid (net)	(916.23)	(7,261.85)
Net cash used in operating activities (A)	**(88,256.96)**	**(1,703.23)**
B Cash flows from investing activities		
Purchase of property, plant and equipment, capital work-in-progress and intangible assets	(1,907.88)	(3,134.69)
Proceeds from sale of property, plant and equipment and intangible assets	30.09	15.50
Investment made in subsidiaries	(1,500.00)	(11,000.00)
Sale of other investments (net)	24,509.35	3,234.99
Net cash generated from/(used in) investing activities (B)	**21,131.56**	**(10,884.20)**
C Cash flows from financing activities		
Proceeds from issue of share capital and share warrants (including premium and net of share issue expenses)	8,736.33	4,547.26
Proceeds from debt securities	1,05,362.02	21,413.18
Repayment of debt securities	(21,542.85)	(32,852.45)
Proceeds from borrowings other than debt securities	2,40,212.47	2,98,029.30
Repayment of borrowings other than debt securities	(2,57,285.07)	(2,80,954.11)
Lease payments	(352.74)	(553.20)
Proceeds from subordinated liabilities	304.77	7,893.53
Repayment of subordinated liabilities	(4,169.77)	(2,469.76)
Net cash generated from financing activities (C)	**71,265.16**	**15,053.75**
Net increase in cash and cash equivalents (A+B+C)	4,139.76	2,466.32
Cash and cash equivalents at the beginning of the year	96,938.85	94,472.53
Cash and cash equivalents at the end of the year	**1,01,078.61**	**96,938.85**
Notes:		
Cash and cash equivalents	1,12,068.58	1,10,732.02
Less: Overdraft facility against term deposits	(10,989.97)	(13,793.17)
	1,01,078.61	**96,938.85**

SATIN CREDITCARE NETWORK LIMITED
Consolidated Balance Sheet as at March 31, 2021
(All amounts in ₹ lakhs, unless otherwise stated)

	As at March 31, 2021	As at March 31, 2020
ASSETS		
Financial Assets		
Cash and cash equivalents	1,16,403.35	1,17,698.47
Other bank balances	79,429.19	70,417.64
Derivative financial instruments	34.13	673.63
Trade receivables	1,945.52	1,232.97
Loans	5,81,115.60	4,94,111.17
Investments	58.06	24,573.21
Other financial assets	3,989.48	2,521.89
	7,82,975.33	**7,11,228.98**
Non-financial Assets		
Current tax assets (net)	-	3,778.61
Deferred tax assets (net)	5,218.78	-
Investment Property	693.73	-
Property, plant and equipment	8,751.71	5,618.82
Capital work-in-progress	364.96	3,413.64
Goodwill	3,370.66	3,370.66
Other intangible assets	310.91	405.61
Other non-financial assets	2,784.99	2,145.45
	21,495.74	**18,732.79**
TOTAL ASSETS	**8,04,471.07**	**7,29,961.77**
LIABILITIES AND EQUITY		
LIABILITIES		
Financial Liabilities		
Payables		
Trade payables		
(i) total outstanding dues of micro enterprises and small enterprises	10.84	83.62
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1,130.83	848.47
Other payables		
(i) total outstanding dues of micro enterprises and small enterprises	223.90	227.71
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1,998.00	1,332.60
Debt securities	1,71,003.09	86,386.14
Borrowings (other than debt securities)	3,94,702.04	4,11,462.61
Subordinated liabilities	52,407.85	56,302.54
Other financial liabilities	31,776.33	25,532.33
	6,53,252.88	**5,82,176.02**
Non-financial Liabilities		
Current tax liabilities (net)	87.90	-
Provisions	1,642.85	1,285.71
Deferred tax liabilities (net)	-	727.90
Other non-financial liabilities	870.98	903.23
	2,601.73	**2,916.84**
EQUITY		
Equity share capital	6,647.12	5,171.27
Other equity	1,41,969.34	1,39,697.64
	1,48,616.46	**1,44,868.91**
TOTAL LIABILITIES AND EQUITY	**8,04,471.07**	**7,29,961.77**

SATIN CREDITCARE NETWORK LIMITED
Consolidated Statement of Profit and Loss for the year ended March 31, 2021
(All amounts in ₹ lakhs, unless otherwise stated)

	For the year ended March 31, 2021	For the year ended March 31, 2020
I. Income		
Revenue from operations		
Interest income	1,16,716.44	1,11,000.52
Dividend income	-	2.21
Fees and commission income	9,555.96	13,778.42
Net gain on fair value changes	-	1,437.83
Net gain on derecognition of financial instruments	11,191.52	23,608.14
Other operating income	105.65	124.42
Total Revenue from operations	**1,37,569.57**	**1,49,951.54**
Other income	448.11	391.65
Total Income	**1,38,017.68**	**1,50,343.19**
II. Expenses		
Finance costs	63,786.71	58,929.39
Net loss on fair value changes	617.41	-
Impairment on financial instruments	27,902.65	19,180.66
Employee benefit expenses	33,732.52	35,134.58
Depreciation and amortisation expense	1,507.63	1,753.72
Other expenses	11,446.15	14,182.20
Total	**1,38,993.07**	**1,29,180.55**
(Loss)/profit before tax	**(975.39)**	**21,162.64**
Tax expense:		
Current tax	5,194.10	5,575.17
Deferred tax	(4,771.27)	90.21
Total tax expenses	**422.83**	**5,665.38**
(Loss)/profit after tax	**(1,398.22)**	**15,497.26**
Other comprehensive income		
Items that will not be reclassified to profit and loss		
Re-measurements of the defined benefit plans	(111.96)	126.65
Income tax relating to above items	28.84	(32.91)
	(83.12)	**93.74**
Items that will be reclassified to profit and loss		
Changes in fair value of loan assets	(4,489.73)	5,771.41
Income tax relating to above item	1,129.99	(1,452.55)
Cash flow hedge reserve	(65.89)	93.37
Income tax relating to above item	16.58	(23.50)
	(3,409.05)	**4,388.73**
Other comprehensive income	**(3,492.17)**	**4,482.47**
Total comprehensive income	**(4,890.39)**	**19,979.73**
Net profit/(loss) after tax attributable to		
Owners of the holding company	(1,398.22)	15,497.26
Non-controlling interests	-	-
Other comprehensive income attributable to		
Owners of the holding company	(3,492.17)	4,482.47
Non-controlling interests	-	-
Total comprehensive income attributable to		
Owners of the holding company	(4,890.39)	19,979.73
Non-controlling interests	-	-
Earnings per equity share (face value of ₹ 10 per equity share)		
Basic (₹)	(2.26)	28.83
Diluted (₹)	(2.26)	28.69

SATIN CREDITCARE NETWORK LIMITED

Consolidated cash flow statement for the year ended March 31, 2021

(All amounts in ₹ lakhs, unless otherwise stated)

	For the year ended March 31, 2021	For the year ended March 31, 2020
A Cash flow from operating activities		
(Loss)/profit before tax	(975.39)	21,162.64
Adjustments for:		
Depreciation and amortisation	1,106.25	1,147.51
Depreciation of right-of-use assets	401.38	606.21
Net gain on derecognition of property, plant and equipment	(10.11)	(2.83)
Fair value gain on mutual funds	(32.80)	(1,568.59)
Unrealised (gain)/loss on fair value changes of derivatives and investments	650.21	130.76
Property, plant and equipment written off	25.08	-
Impairment on financial instruments	27,902.65	19,180.66
Dividend income	-	(2.21)
Gain on sale of loan portfolio through assignment	(11,191.52)	(23,608.14)
First loss default guarantee expenses	2,285.07	3,089.11
Share based payment to employees	(78.68)	196.20
Effective interest rate adjustment for financial instruments	2,180.09	2,104.43
Interest expense for leasing arrangements	99.40	188.19
Net gain on termination of leases	(3.15)	(42.44)
Unrealised exchange fluctuation loss (net)	(381.17)	188.49
Operating profit before working capital changes	**21,977.31**	**22,769.99**
Movement in working capital		
(Increase)/decrease in trade receivables	(712.55)	4.66
Increase in loans	(1,07,931.20)	(28,570.57)
(Increase)/decrease in deposits	(9,011.55)	2,927.55
Increase in other financial assets	(1,741.68)	(994.43)
Increase in other non-financial assets	(719.69)	(6,733.93)
Increase in trade and other payables	871.17	1,149.46
Increase/(decrease) in other financial liabilities	3,958.93	(5,822.98)
Increase/(decrease) in provisions	245.18	(103.12)
(Decrease)/increase in other non-financial liabilities	(98.14)	2.95
Cash used in operating activities post working capital changes	**(93,162.22)**	**(15,370.42)**
Income taxes paid (net)	(1,327.59)	(7,159.41)
Net cash used in operating activities (A)	**(94,489.81)**	**(22,529.83)**
B Cash flows from investing activities		
Payments for property, plant and equipment and capital work-in-progress and intangible assets	(2,003.31)	2,116.53
Proceeds from sale of property, plant and equipment and intangible assets	32.05	16.47
Sale of other investments (net)	24,537.24	3,435.38
Net cash generated from investing activities (B)	**22,565.98**	**5,568.38**
C Cash flows from financing activities		
Proceeds from issue of share capital and share warrants (including premium and net of share issue expenses)	8,716.62	4,437.67
Proceeds from debt securities	1,05,857.97	21,413.18
Repayment of debt securities	(21,542.85)	(32,852.45)
Proceeds from borrowings other than debt securities	2,46,712.15	3,12,518.42
Repayment of borrowings other than debt securities	(2,61,983.40)	(2,87,956.35)
Lease payments	(463.91)	(693.40)
Proceeds from subordinated liabilities	304.77	9,887.77
Repayment of subordinated liabilities	(4,169.77)	(2,469.76)
Net cash generated from financing activities (C)	**73,431.58**	**24,285.08**
Net increase in cash and cash equivalents (A+B+C)	1,507.75	7,323.63
Cash and cash equivalents at the beginning of the year	1,03,905.30	96,581.67
Cash and cash equivalents at the end of the year	**1,05,413.05**	**1,03,905.30**
Notes:		
Cash and cash equivalents	1,16,403.35	1,17,698.47
Less: Overdraft facility against term deposits	(10,990.30)	(13,793.17)
	1,05,413.05	**1,03,905.30**

SATIN CREDITCARE NETWORK LIMITED
Standalone Balance Sheet as at March 31, 2022
(All amounts in Lakhs, unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
ASSETS		
Financial assets		
Cash and cash equivalents	1,04,900.58	1,12,068.58
Bank balances other than cash and cash equivalents	86,565.38	74,195.31
Derivative financial instruments	1,192.75	34.13
Trade receivables	239.41	1,460.92
Loans	4,89,739.76	5,51,496.23
Investments	33,616.86	28,318.30
Other financial assets	2,105.14	3,156.42
	7,18,359.88	**7,70,729.89**
Non-financial assets		
Deferred tax assets (net)	6,811.20	4,609.86
Investment Property	698.26	693.73
Property, plant and equipment	7,901.34	8,384.37
Capital work-in-progress	17.89	364.96
Other intangible assets	212.71	288.79
Other non-financial assets	3,539.22	2,379.82
	19,180.62	**16,721.53**
TOTAL ASSETS	**7,37,540.50**	**7,87,451.42**
LIABILITIES AND EQUITY		
LIABILITIES		
Financial liabilities		
Payables		
Trade payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1,049.81	792.62
Other payables		
(i) total outstanding dues of micro enterprises and small enterprises	172.02	223.90
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1,371.54	1,434.68
Debt securities	1,18,743.75	1,70,507.14
Borrowings (other than debt securities)	3,82,504.26	3,81,643.15
Subordinated liabilities	45,034.73	50,412.79
Other financial liabilities	26,409.64	30,432.44
	5,75,285.75	**6,35,446.72**
Non-financial liabilities		
Current tax liabilities (net)	100.06	893.52
Provisions	775.84	1,316.16
Other non-financial liabilities	754.02	689.79
	1,629.92	**2,899.47**
EQUITY		
Equity share capital	7,459.12	6,647.12
Other equity	1,53,165.71	1,42,458.11
	1,60,624.83	**1,49,105.23**
TOTAL LIABILITIES AND EQUITY	**7,37,540.50**	**7,87,451.42**

SATIN CREDITCARE NETWORK LIMITED
Standalone Statement of Profit and Loss for the year ended March 31, 2022
(All amounts in Lakhs, unless otherwise stated)

	For the year ended March 31, 2022	For the year ended March 31, 2021
I. Income		
Revenue from operations		
Interest income	1,17,010.74	1,11,686.08
Dividend income	3.15	-
Rental income	86.11	54.09
Fees and commission income	2,388.69	4,169.16
Net gain on fair value changes	1,423.43	-
Net gain on derecognition of financial instruments	4,954.65	11,042.73
Other operating income	303.38	204.93
Total revenue from operations	**1,26,170.15**	**1,27,156.99**
Other income	23.34	150.53
Total income	**1,26,193.49**	**1,27,307.52**
II. Expenses		
Finance costs	60,160.39	61,760.83
Net loss on fair value changes	-	645.30
Impairment on financial instruments	17,542.43	27,521.24
Employee benefits expenses	32,442.01	28,141.88
Depreciation and amortisation	1,343.04	1,301.32
Other expenses	8,769.59	8,913.23
Total expenses	**1,20,257.46**	**1,28,283.80**
Profit/(Loss) before tax	**5,936.03**	**(976.28)**
Tax expense:		
Current tax	3,132.23	4,962.74
Deferred tax charge	(1,218.71)	(4,583.53)
Total	**1,913.52**	**379.21**
Profit/(Loss) after tax	**4,022.51**	**(1,355.49)**
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Re-measurements of the defined benefit plans	12.91	(86.62)
Income tax relating to above items	(3.25)	21.80
	9.66	**(64.82)**
Items that will be reclassified to profit or loss		
Changes in fair value of loan assets	(3,917.29)	(4,489.73)
Income tax relating to above item	985.90	1,129.99
Cash flow hedge reserve	-	(65.89)
Income tax relating to above item	-	16.58
	(2,931.39)	**(3,409.05)**
Other comprehensive income	**(2,921.73)**	**(3,473.87)**
Total comprehensive income for the period	**1,100.78**	**(4,829.36)**
Earnings per equity share (face value of ₹ 10 per equity share)		
Basic (₹)	5.76	(2.19)
Diluted (₹)	5.29	(2.19)

SATIN CREDITCARE NETWORK LIMITED
Standalone cash flow statement for the year ended March 31, 2022
(All amounts in ₹ Lakhs, unless otherwise stated)

	For the year ended March 31, 2022	For the year ended March 31, 2021
A Cash flow from operating activities		
Profit/(Loss) before tax	5,936.03	(976.28)
Adjustments for:		
Depreciation and amortisation	1,167.27	994.09
Depreciation of right-of-use assets	175.77	307.23
Net loss/(gain) on derecognition of property, plant and equipment	22.78	(9.37)
Fair value gain on mutual funds	(264.81)	(4.91)
Unrealised (gain)/loss on fair value changes of derivatives and investments	(1,158.62)	650.21
Property, plant and equipment written off	39.14	6.05
Impairment on financial instruments	17,542.43	27,521.24
Dividend income	(3.15)	-
Gain on sale of loan portfolio through assignment	(4,954.65)	(11,042.73)
First loss default guarantee (reversal) / expenses	(380.06)	1,155.20
Share based payment to employees	-	19.02
Effective interest rate adjustment for financial instruments	1,970.36	2,198.58
Interest expense for leasing arrangements	63.82	78.58
Net gain on termination of leases	(7.78)	(5.41)
Corporate guarantee premium income	(15.56)	(7.23)
Unrealised exchange fluctuation loss/(gain) (net)	367.92	(381.17)
Operating profit before working capital changes	**20,500.89**	**20,503.10**
Movement in working capital		
Decrease/(Increase) in trade receivables	1,221.51	(847.78)
Decrease/(Increase) in loans	45,255.01	(1,01,293.09)
Increase in deposits	(12,370.07)	(8,761.16)
Decrease/(Increase) in other financial assets	1,008.82	(1,727.63)
Increase in other non-financial assets	(1,226.12)	(707.36)
Increase in trade and other payables	142.17	621.04
(Decrease)/Increase in other financial liabilities	(3,627.18)	4,883.56
(Decrease)/Increase in provisions	(527.41)	143.14
Increase/(Decrease) in other non-financial liabilities	64.23	(154.55)
Cash generated from / (used in) operating activities post working capital changes	**50,441.85**	**(87,340.73)**
Income tax paid (net)	(3,925.67)	(916.23)
Net cash generated from / (used in) operating activities (A)	**46,516.18**	**(88,256.96)**
B Cash flows from investing activities		
Purchase of property, plant and equipment, capital work-in-progress and intangible assets	(468.14)	(1,907.88)
Proceeds from sale of property, plant and equipment and intangible assets	37.47	30.09
Investment made in subsidiaries	(500.00)	(1,500.00)
(Purchase)/Sale of other investments (net)	(4,533.75)	24,509.35
Dividend income	3.15	-
Net cash (used in) / generated from investing activities (B)	**(5,461.27)**	**21,131.56**
C Cash flows from financing activities		
Proceeds from issue of share capital and share warrants (including premium and net of share issue expenses)	10,457.62	8,736.33
Proceeds from debt securities	29,585.32	1,05,362.02
Repayment of debt securities	(81,783.71)	(21,542.85)
Proceeds from borrowings other than debt securities	3,01,140.12	2,40,212.47
Repayment of borrowings other than debt securities	(3,10,460.73)	(2,57,285.07)
Lease payments	(220.70)	(352.74)
Proceeds from subordinated liabilities	0.00	304.77
Repayment of subordinated liabilities	(5,369.41)	(4,169.77)
Net cash (used in) / generated from financing activities (C)	**(56,651.49)**	**71,265.16**
Net (Decrease)/increase in cash and cash equivalents (A+B+C)	(15,596.58)	4,139.76
Cash and cash equivalents at the beginning of the year	1,01,078.61	96,938.85
Cash and cash equivalents at the end of the year	**85,482.03**	**1,01,078.61**
Cash and cash equivalents	1,04,900.58	1,12,068.58
Less: Overdraft facility against term deposits	(19,418.55)	(10,989.97)
	85,482.03	**1,01,078.61**

SATIN CREDITCARE NETWORK LIMITED

Consolidated Balance Sheet as at March 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
ASSETS		
Financial Assets		
Cash and cash equivalents	1,09,126.48	1,16,403.35
Other bank balances	91,067.88	79,429.19
Derivative financial instruments	1,192.75	34.13
Trade receivables	276.08	1,945.52
Loans	5,30,842.27	5,81,115.60
Investments	4,856.62	58.06
Other financial assets	2,902.89	3,989.48
	7,40,264.97	**7,82,975.33**
Non-financial Assets		
Current tax assets (net)	526.10	-
Deferred tax assets (net)	8,253.66	5,218.78
Investment Property	698.26	693.73
Property, plant and equipment	8,282.18	8,751.71
Capital work-in-progress	17.89	364.96
Goodwill	3,370.66	3,370.66
Other intangible assets	230.40	310.91
Other non-financial assets	3,882.94	2,784.99
	25,262.09	**21,495.74**
TOTAL ASSETS	**7,65,527.06**	**8,04,471.07**
LIABILITIES AND EQUITY		
LIABILITIES		
Financial Liabilities		
Payables		
Trade payables		
(i) total outstanding dues of micro enterprises and small enterprises	10.42	10.84
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1,268.06	1,130.83
Other payables		
(i) total outstanding dues of micro enterprises and small enterprises	172.02	223.90
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1,520.19	1,998.00
Debt securities	1,19,241.39	1,71,003.09
Borrowings (other than debt securities)	4,08,079.96	3,94,702.04
Subordinated liabilities	47,030.53	52,407.85
Other financial liabilities	28,001.28	31,776.33
	6,05,323.85	**6,53,252.88**
Non-financial Liabilities		
Current tax liabilities (net)	-	87.90
Provisions	982.33	1,642.85
Other non-financial liabilities	1,035.54	870.98
	2,017.87	**2,601.73**
EQUITY		
Equity share capital	7,459.12	6,647.12
Other equity	1,50,726.22	1,41,969.34
	1,58,185.34	**1,48,616.46**
TOTAL LIABILITIES AND EQUITY	**7,65,527.06**	**8,04,471.07**

SATIN CREDITCARE NETWORK LIMITED
Consolidated Statement of Profit and Loss for the year ended March 31, 2022
(All amounts in ₹ lakhs, unless otherwise stated)

	For the year ended March 31, 2022	For the year ended March 31, 2021
I. Income		
Revenue from operations		
Interest income	1,22,773.49	1,16,716.44
Dividend income	3.15	-
Rental income	11.03	16.19
Fees and commission income	8,126.77	9,555.96
Net gain on fair value changes	1,423.43	-
Net gain on derecognition of financial instruments	5,165.51	11,191.52
Other operating income	176.60	105.65
Total Revenue from operations	**1,37,679.98**	**1,37,585.76**
Other income	409.40	431.92
Total Income	**1,38,089.38**	**1,38,017.68**
II. Expenses		
Finance costs	62,590.71	63,786.71
Net loss on fair value changes	-	617.41
Impairment on financial instruments	18,073.66	27,902.65
Employee benefit expenses	39,312.43	33,732.52
Depreciation and amortisation expense	1,574.02	1,507.63
Other expenses	13,120.70	11,446.15
Total	**1,34,671.52**	**1,38,993.07**
Profit/(loss) before tax	**3,417.86**	**(975.39)**
Tax expense:		
Current tax	3,402.70	5,194.10
Deferred tax	(2,054.73)	(4,771.27)
Total tax expenses	**1,347.97**	**422.83**
Profit/(loss) after tax	**2,069.89**	**(1,398.22)**
Other comprehensive income		
Items that will not be reclassified to profit and loss		
Re-measurements of the defined benefit plans	19.57	(111.96)
Income tax relating to above items	(5.11)	28.84
	14.46	**(83.12)**
Items that will be reclassified to profit and loss		
Changes in fair value of loan assets	(3,915.05)	(4,489.73)
Income tax relating to above item	985.28	1,129.99
Cash flow hedge reserve	-	(65.89)
Income tax relating to above item	-	16.58
	(2,929.77)	**(3,409.05)**
Other comprehensive income	**(2,915.31)**	**(3,492.17)**
Total comprehensive income	**(845.42)**	**(4,890.39)**
Net profit/(loss) after tax attributable to		
Owners of the Parent Company	2,069.89	(1,398.22)
Non-controlling interests	-	-
Other comprehensive income attributable to		
Owners of the Parent Company	(2,915.31)	(3,492.17)
Non-controlling interests	-	-
Total comprehensive income attributable to		
Owners of the Parent Company	(845.42)	(4,890.39)
Non-controlling interests	-	-
Earnings per equity share (face value of ₹ 10 per equity share)		
Basic (₹)	2.96	(2.26)
Diluted (₹)	2.72	(2.26)

SATIN CREDITCARE NETWORK LIMITED
Consolidated cash flow statement for the year ended March 31, 2022
(All amounts in ₹ lakhs, unless otherwise stated)

	For the year ended March 31, 2022	For the year ended March 31, 2021
A Cash flow from operating activities		
Profit/(Loss) before tax	3,417.86	(975.39)
Adjustments for:		
Depreciation and amortisation	1,284.30	1,106.25
Depreciation of right-of-use assets	289.72	401.38
Net loss/(gain) on derecognition of property, plant and equipment	20.03	(10.11)
Fair value gain on mutual funds	(264.81)	(32.80)
Unrealised (gain)/loss on fair value changes of derivatives and investments	(1,158.62)	650.21
Property, plant and equipment written off	39.14	25.08
Impairment on financial instruments	18,073.66	27,902.65
Dividend income	(3.15)	-
Gain on sale of loan portfolio through assignment	(5,165.51)	(11,191.52)
First loss default guarantee expenses	2,956.11	2,285.07
Share based payment to employees	(38.85)	(78.68)
Effective interest rate adjustment for financial instruments	1,931.83	2,180.09
Interest expense for leasing arrangements	89.03	99.40
Net gain on termination of leases	(7.78)	(3.15)
Unrealised exchange fluctuation loss/(gain) (net)	367.92	(381.17)
Operating profit before working capital changes	**21,830.88**	**21,977.31**
Movement in working capital		
Decrease/(Increase) in trade receivables	1,669.44	(712.55)
Decrease/(Increase) in loans	33,465.92	(1,07,931.20)
Increase in deposits	(11,638.69)	(9,011.55)
Decrease/(Increase) in other financial assets	1,070.80	(1,741.68)
Increase in other non-financial assets	(1,164.67)	(719.69)
(Decrease)/Increase in trade and other payables	(392.88)	871.17
(Decrease)/Increase in other financial liabilities	(6,731.16)	3,958.93
(Decrease)/Increase in provisions	(640.95)	245.18
Increase/(Decrease) in other non-financial liabilities	164.56	(98.14)
Cash generated from / (used in) operating activities post working capital changes	**37,633.25**	**(93,162.22)**
Income taxes paid (net)	(4,016.68)	(1,327.59)
Net cash generated from / (used in) operating activities (A)	**33,616.57**	**(94,489.81)**
B Cash flows from investing activities		
Purchase of property, plant and equipment and capital work-in-progress and intangible assets	(593.53)	(2,003.31)
Proceeds from sale of property, plant and equipment and intangible assets	44.36	32.05
Dividend income	3.15	-
(Purchase)/Sale of other investments (net)	(4,533.75)	24,537.24
Net cash (used in) / generated from investing activities (B)	**(5,079.77)**	**22,565.98**
C Cash flows from financing activities		
Proceeds from issue of share capital and share warrants (including premium and net of share issue expenses)	10,453.10	8,716.62
Proceeds from debt securities	29,585.32	1,05,857.97
Repayment of debt securities	(81,783.71)	(21,542.85)
Proceeds from borrowings other than debt securities	3,19,963.64	2,46,712.15
Repayment of borrowings other than debt securities	(3,16,735.27)	(2,61,983.40)
Lease payments	(354.99)	(463.91)
Proceeds from subordinated liabilities	-	304.77
Repayment of subordinated liabilities	(5,370.18)	(4,169.77)
Net cash (used in) / generated from financing activities (C)	**(44,242.09)**	**73,431.58**
Net (decrease) / increase in cash and cash equivalents (A+B+C)	(15,705.29)	1,507.75
Cash and cash equivalents at the beginning of the year	1,05,413.05	1,03,905.30
	89,707.76	**1,05,413.05**

Notes:

Cash and cash equivalents	1,09,126.48	1,16,403.35
Less: Overdraft facility against term deposits	(19,418.72)	(10,990.30)
	89,707.76	**1,05,413.05**

SATIN CREDITCARE NETWORK LIMITED
Standalone Balance Sheet as at March 31, 2023
(All amounts in ₹ Lakhs, unless otherwise stated)

	As at March 31, 2023	As at March 31, 2022
ASSETS		
Financial assets		
Cash and cash equivalents	21,335.16	1,04,900.58
Bank balances other than cash and cash equivalents	81,540.28	86,565.38
Derivative financial instruments	2,231.64	1,192.75
Trade receivables	241.12	239.41
Loans	5,68,421.19	4,89,739.76
Investments	74,151.81	33,616.86
Other financial assets	1,606.69	2,105.14
	7,49,527.89	**7,18,359.88**
Non-financial assets		
Current tax assets (net)	3,321.63	-
Deferred tax assets (net)	-	6,811.20
Investment Property	664.26	698.26
Property, plant and equipment	8,328.99	7,901.34
Capital work-in-progress	-	17.89
Other intangible assets	144.66	212.71
Other non-financial assets	2,552.22	3,539.22
	15,011.76	**19,180.62**
TOTAL ASSETS	**7,64,539.65**	**7,37,540.50**
LIABILITIES AND EQUITY		
LIABILITIES		
Financial liabilities		
Payables		
Trade payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	198.23	1,049.81
Other payables		
(i) total outstanding dues of micro enterprises and small enterprises	23.87	172.02
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1,125.93	1,371.54
Debt securities	1,09,144.08	1,18,743.75
Borrowings (other than debt securities)	4,00,477.70	3,82,504.26
Subordinated liabilities	35,126.25	45,034.73
Other financial liabilities	25,542.79	26,409.64
	5,71,638.85	**5,75,285.75**
Non-financial liabilities		
Current tax liabilities (net)	-	100.06
Provisions	703.85	775.84
Deferred tax liabilities (net)	245.64	-
Other non-financial liabilities	579.63	754.02
	1,529.12	**1,629.92**
EQUITY		
Equity share capital	8,479.63	7,459.12
Other equity	1,82,892.05	1,53,165.71
	1,91,371.68	**1,60,624.83**
TOTAL LIABILITIES AND EQUITY	**7,64,539.65**	**7,37,540.50**

SATIN CREDITCARE NETWORK LIMITED
Standalone Statement of Profit and Loss for the year ended March 31, 2023
(All amounts in ₹ Lakhs, unless otherwise stated)

	For the year ended March 31, 2023	For the year ended March 31, 2022
I. Income		
Revenue from operations		
Interest income	1,16,008.44	1,17,010.74
Dividend income	0.17	3.15
Rental income	117.41	110.71
Fees and commission income	2,140.20	2,388.69
Net gain on fair value changes	36,631.03	1,423.43
Net gain on derecognition of financial instruments	20,964.37	4,954.65
Other operating income	243.68	303.38
Total revenue from operations	**1,76,105.30**	**1,26,194.75**
Other income	49.18	23.34
Total income	**1,76,154.48**	**1,26,218.09**
II. Expenses		
Finance costs	57,602.47	60,641.19
Impairment on financial instruments	40,229.51	17,542.43
Employee benefits expenses	31,631.57	32,442.01
Depreciation and amortisation	1,620.27	1,378.79
Other expenses	10,970.62	8,277.64
Total expenses	**1,42,054.44**	**1,20,282.06**
Profit before tax	**34,100.04**	**5,936.03**
Tax expense:		
Current tax	(30.37)	3,132.23
Deferred tax charge	7,697.49	(1,218.71)
Total	**7,667.12**	**1,913.52**
Profit after tax	**26,432.92**	**4,022.51**
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Re-measurements of the defined benefit plans (refer note 48)	(29.67)	12.91
Equity instruments through other comprehensive income (refer note 9)	(2,731.61)	-
Income tax relating to above items	694.96	(3.25)
	(2,066.32)	**9.66**
Items that will be reclassified to profit or loss		
Changes in fair value of loan assets (refer note 8)	243.31	(3,917.29)
Income tax relating to above item	(61.24)	985.90
Cash flow hedge reserve (refer note 27)	(27.48)	-
Income tax relating to above item	6.92	-
	161.51	**(2,931.39)**
Other comprehensive income	**(1,904.81)**	**(2,921.73)**
Total comprehensive income for the period	**24,528.11**	**1,100.78**
Earnings per equity share (face value of ₹ 10 per equity share)		
Basic (₹)	33.79	5.76
Diluted (₹)	32.30	5.29

SATIN CREDITCARE NETWORK LIMITED
Standalone cash flow statement for the year ended March 31, 2023
(All amounts in ₹ Lakhs, unless otherwise stated)

	For the year ended March 31, 2023	For the year ended March 31, 2022
A Cash flow from operating activities		
Profit before tax	34,100.04	5,936.03
Adjustments for:		
Depreciation and amortisation	1,107.22	1,167.27
Depreciation of right-of-use assets	513.05	175.77
Net (gain)/loss on derecognition of property, plant and equipment	(2.95)	22.78
Fair value gain on mutual funds	(375.18)	(264.81)
Gain on fair valuation of subsidiaries	(35,215.77)	-
Unrealised gain on fair value changes of derivatives and investments	(1,040.08)	(1,158.62)
Property, plant and equipment written off	6.01	39.14
Impairment on financial instruments	40,229.51	17,542.43
Dividend income	(0.17)	(3.15)
Gain on sale of loan portfolio through assignment	(20,964.37)	(4,954.65)
First loss default guarantee reversal	(593.39)	(380.06)
Effective interest rate adjustment for financial instruments	1,649.08	1,970.36
Interest expense for leasing arrangements	120.58	63.82
Net gain on termination of leases	(7.59)	(7.78)
Corporate guarantee premium income	(38.64)	(15.56)
Unrealised exchange fluctuation loss (net)	512.98	367.92
Operating profit before working capital changes	**20,000.33**	**20,500.89**
Movement in working capital		
(Increase)/decrease in trade receivables	(1.71)	1,221.51
(Increase)/decrease in loans	(94,983.85)	45,255.01
Decrease/(increase) in fixed deposits	5,025.10	(12,370.07)
Decrease in other financial assets	473.08	1,008.82
Decrease/(increase) in other non-financial assets	987.00	(1,226.12)
(Decrease)/increase in trade and other payables	(1,245.34)	142.17
Decrease in other financial liabilities	(234.82)	(3,627.18)
Decrease in provisions	(101.66)	(527.41)
(Decrease)/increase in other non-financial liabilities	(174.39)	64.23
Cash (used in)/generated from operating activities post working capital changes	**(70,256.26)**	**50,441.85**
Income tax paid (net)	(3,391.33)	(3,925.67)
Net cash (used in)/generated from operating activities (A)	**(73,647.59)**	**46,516.18**
B Cash flows from investing activities		
Purchase of property, plant and equipment	(798.17)	(468.14)
Proceeds from sale of property, plant and equipment	31.16	37.47
Investment made in subsidiaries	(3,999.90)	(500.00)
Investment made in other than subsidiaries	(5,30,931.63)	(4,77,085.63)
Sale of investments other than subsidiaries	5,24,563.07	4,72,551.88
Dividend income	0.17	3.15
Net cash used in investing activities (B)	**(11,135.30)**	**(5,461.27)**
C Cash flows from financing activities		
Proceeds from issue of share capital and share warrants (including premium and net of share issue expenses)	6,218.75	10,457.62
Proceeds from debt securities	28,209.32	29,585.32
Repayment of debt securities	(38,043.56)	(81,783.71)
Proceeds from borrowings other than debt securities	3,96,212.56	3,01,140.12
Repayment of borrowings other than debt securities	(3,61,454.70)	(3,10,460.73)
Lease payments	(615.42)	(220.70)
Repayment of subordinated liabilities	(9,890.93)	(5,369.41)
Net cash generated from/(used in) financing activities (C)	**20,636.02**	**(56,651.49)**
Net decrease in cash and cash equivalents (A+B+C)	(64,146.87)	(15,596.58)
Cash and cash equivalents at the beginning of the year	85,482.03	1,01,078.61
Cash and cash equivalents at the end of the year	**21,335.16**	**85,482.03**
Notes:		
Cash and cash equivalents	21,335.16	1,04,900.58
Less: Overdraft facility against term deposits	-	(19,418.55)
	21,335.16	**85,482.03**

SATIN CREDITCARE NETWORK LIMITED

Consolidated Balance Sheet as at March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

	As at March 31, 2023	As at March 31, 2022
ASSETS		
Financial Assets		
Cash and cash equivalents	25,770.63	1,09,126.48
Other bank balances	85,665.12	91,067.88
Derivative financial instruments	2,231.64	1,192.75
Trade receivables	539.45	276.08
Loans	6,32,885.67	5,30,842.27
Investments	6,175.90	4,856.62
Other financial assets	2,312.80	2,902.89
	7,55,581.21	**7,40,264.97**
Non-financial Assets		
Current tax assets (net)	4,327.55	526.10
Deferred tax assets (net)	8,857.48	8,253.66
Investment Property	664.26	698.26
Property, plant and equipment	8,681.88	8,282.18
Capital work-in-progress	-	17.89
Goodwill	3,370.66	3,370.66
Other intangible assets	179.17	230.40
Other non-financial assets	3,294.60	3,882.94
	29,375.60	**25,262.09**
TOTAL ASSETS	**7,84,956.81**	**7,65,527.06**
LIABILITIES AND EQUITY		
LIABILITIES		
Financial Liabilities		
Payables		
Trade payables		
(i) total outstanding dues of micro enterprises and small enterprises	10.42	10.42
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	497.45	1,268.06
Other payables		
(i) total outstanding dues of micro enterprises and small enterprises	23.87	172.02
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1,527.78	1,520.19
Debt securities	1,09,643.58	1,19,241.39
Borrowings (other than debt securities)	4,44,358.26	4,08,079.96
Subordinated liabilities	37,122.90	47,030.53
Other financial liabilities	27,071.94	28,001.28
	6,20,256.20	**6,05,323.85**
Non-financial Liabilities		
Provisions	934.35	982.33
Other non-financial liabilities	953.82	1,035.54
	1,888.17	**2,017.87**
EQUITY		
Equity share capital	8,479.63	7,459.12
Other equity	1,54,332.81	1,50,726.22
	1,62,812.44	**1,58,185.34**
TOTAL LIABILITIES AND EQUITY	**7,84,956.81**	**7,65,527.06**

SATIN CREDITCARE NETWORK LIMITED

Consolidated Statement of Profit and Loss for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

	For the year ended March 31, 2023	For the year ended March 31, 2022
I. Income		
Revenue from operations		
Interest income	1,24,896.84	1,22,773.49
Dividend income	0.17	3.15
Rental income	38.28	35.63
Fees and commission income	7,674.41	8,126.77
Net gain on fair value changes	1,415.45	1,423.43
Net gain on derecognition of financial instruments	21,571.16	5,165.51
Other operating income	132.73	176.60
Total Revenue from operations	**1,55,729.04**	**1,37,704.58**
Other income	173.29	409.40
Total Income	**1,55,902.33**	**1,38,113.98**
II. Expenses		
Finance costs	61,673.10	63,071.51
Impairment on financial instruments	40,808.22	18,073.66
Employee benefit expenses	38,760.29	39,312.43
Depreciation and amortisation expense	1,839.37	1,609.77
Other expenses	12,297.28	12,628.75
Total	**1,55,378.26**	**1,34,696.12**
Profit before tax	**524.07**	**3,417.86**
Tax expense:		
Current tax	(48.89)	3,402.70
Deferred tax	91.65	(2,054.73)
Total tax expenses	**42.76**	**1,347.97**
Profit after tax	**481.31**	**2,069.89**
Other comprehensive income		
Items that will not be reclassified to profit and loss		
Re-measurements of the defined benefit plans	(47.92)	19.57
Equity instruments through other comprehensive income	(2,731.61)	-
Income tax relating to above items	699.85	(5.11)
	(2,079.68)	**14.46**
Items that will be reclassified to profit and loss		
Changes in fair value of loan assets	44.87	(3,915.05)
Income tax relating to above item	(11.30)	985.28
Cash flow hedge reserve	(27.48)	-
Income tax relating to above item	6.92	-
	13.01	**(2,929.77)**
Other comprehensive income	**(2,066.67)**	**(2,915.31)**
Total comprehensive income	**(1,585.36)**	**(845.42)**
Net profit after tax attributable to		
Owners of the Parent Company	481.31	2,069.89
Non-controlling interests	-	-
Other comprehensive income attributable to		
Owners of the Parent Company	(2,066.67)	(2,915.31)
Non-controlling interests	-	-
Total comprehensive income attributable to		
Owners of the Parent Company	(1,585.36)	(845.42)
Non-controlling interests	-	-
Earnings per equity share (face value of ₹ 10 per equity share)		
Basic (₹)	0.62	2.96
Diluted (₹)	0.59	2.72

SATIN CREDITCARE NETWORK LIMITED
Consolidated cash flow statement for the year ended March 31, 2023
(All amounts in ₹ lakhs, unless otherwise stated)

	For the year ended March 31, 2023	For the year ended March 31, 2022
A Cash flow from operating activities		
Profit before tax	524.07	3,417.86
Adjustments for:		
Depreciation and amortisation	1,229.41	1,284.30
Depreciation of right-of-use assets	609.96	289.72
Net (gain)/loss on derecognition of property, plant and equipment	(9.95)	20.03
Fair value gain on mutual funds	(375.37)	(264.81)
Unrealised gain on fair value changes of derivatives and investments	(1,040.08)	(1,158.62)
Property, plant and equipment written off	6.01	39.14
Impairment on financial instruments	40,808.22	18,073.66
Dividend income	(0.17)	(3.15)
Gain on sale of loan portfolio through assignment	(21,571.16)	(5,165.51)
First loss default guarantee expenses	104.69	2,956.11
Share based payment to employees	-	(38.85)
Effective interest rate adjustment for financial instruments	1,545.17	1,931.83
Interest expense for leasing arrangements	141.07	89.03
Net gain on termination of leases	(7.59)	(7.78)
Unrealised exchange fluctuation loss (net)	519.90	367.92
Operating profit before working capital changes	**22,484.18**	**21,830.88**
Movement in working capital		
(Increase)/decrease in trade receivables	(263.37)	1,669.44
(Increase)/decrease in loans	(1,18,516.18)	33,465.92
Decrease/(increase) in fixed deposits	5,402.76	(11,638.69)
Decrease in other financial assets	564.72	1,070.80
Decrease/(increase) in other non-financial assets	588.34	(1,164.67)
Decrease in trade and other payables	(911.17)	(392.88)
Decrease in other financial liabilities	(1,040.32)	(6,731.16)
Decrease in provisions	(95.90)	(640.95)
(Decrease)/increase in other non-financial liabilities	(81.72)	164.56
Cash (used in)/generated from operating activities post working capital changes	**(91,868.66)**	**37,633.25**
Income taxes paid (net)	(3,765.43)	(4,016.68)
Net cash (used in)/generated from operating activities (A)	**(95,634.09)**	**33,616.57**
B Cash flows from investing activities		
Purchase of property, plant and equipment	(969.19)	(593.53)
Proceeds from sale of property, plant and equipment	72.26	44.36
Purchase of intangible assets	(24.51)	-
Dividend income	0.17	3.15
Purchase of investments	(5,30,931.63)	(4,77,085.63)
Sale of investments	5,24,563.07	4,72,551.88
Net cash used in investing activities (B)	**(7,289.83)**	**(5,079.77)**
C Cash flows from financing activities		
Proceeds from issue of share capital and share warrants (including premium and net of share issue expenses)	6,218.75	10,453.10
Proceeds from debt securities	28,209.32	29,585.32
Repayment of debt securities	(38,043.56)	(81,783.71)
Proceeds from borrowings other than debt securities	4,24,769.35	3,19,963.64
Repayment of borrowings other than debt securities	(3,71,545.96)	(3,16,735.27)
Lease payments	(730.18)	(354.99)
Repayment of subordinated liabilities	(9,890.93)	(5,370.18)
Net cash generated from/(used in) financing activities (C)	**38,986.79**	**(44,242.09)**
Net decrease in cash and cash equivalents (A+B+C)	(63,937.13)	(15,705.29)
Cash and cash equivalents at the beginning of the year	89,707.76	1,05,413.05
Cash and cash equivalents at the end of the year	**25,770.63**	**89,707.76**
Notes:		
Cash and cash equivalents	25,770.63	1,09,126.48
Less: Overdraft facility against term deposits	-	(19,418.72)
	25,770.63	**89,707.76**

SATIN CREDITCARE NETWORK LIMITED
Unaudited Interim Condensed Standalone Balance Sheet as at September 30, 2023
(All amounts in ₹ lakhs, unless otherwise stated)

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

SATIN CREDITCARE NETWORK LIMITED

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

(All amounts in ₹ lakhs, unless otherwise stated)

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

SATIN CREDITCARE NETWORK LIMITED

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

(All amounts in ₹ lakhs, unless otherwise stated)

		For the half year ended September 30, 2023	For the half year ended September 30, 2022
A	**Cash flow from operating activities**		
	Profit before tax	25,321.77	14,110.92
	Adjustments for:		
	Depreciation and amortisation	493.43	491.75
	Depreciation of right-of-use assets	428.42	77.24
	Net loss on derecognition of property, plant and equipment	14.34	2.89
	Fair value gain on mutual funds	(201.67)	(208.86)
	Loss/(gain) on fair valuation of subsidiaries	69.88	(35,101.76)
	Unrealised gain on fair value changes of derivatives and investments	(153.16)	(1,200.43)
	Property, plant and equipment written off	-	1.30
	Impairment on financial instruments	4,438.62	33,506.94
	Dividend income	-	(0.17)
	Gain on sale of loan portfolio through assignment	(9,862.48)	(5,203.32)
	First loss default guarantee (reversal) / expenses	(433.65)	(12.91)
	Effective interest rate adjustment for financial instruments	997.86	911.39
	Interest expense for leasing arrangements	90.75	25.45
	Net gain on termination of leases	(12.21)	-
	Corporate guarantee premium income	(23.83)	(17.33)
	Unrealised exchange fluctuation loss (net)	434.73	491.57
	Operating profit before working capital changes	**21,602.80**	**7,874.67**
	Movement in working capital		
	(Increase)/decrease in trade receivables	(122.06)	30.26
	Increase in loans	(85,474.04)	(26,748.15)
	(Increase) / decrease in fixed deposits	(7,218.59)	2,574.32
	(Increase) / decrease in other financial assets	(6,510.10)	481.26
	Increase in other non-financial assets	(376.43)	(216.32)
	Increase / (decrease) in trade and other payables	684.84	(431.59)
	(Decrease) / Increase in other financial liabilities	(15,126.70)	7,731.59
	Increase / (decrease) in provisions	38.15	(91.57)
	Increase / (decrease) in other non-financial liabilities	162.37	(5.91)
	Cash used in from operating activities post working capital changes	**(92,339.76)**	**(8,801.44)**
	Income taxes paid (net)	(2,392.34)	(1,904.38)
	Net cash used in operating activities (A)	**(94,732.10)**	**(10,705.82)**
B	**Cash flows from investing activities**		
	Purchase of property, plant and equipment	(409.68)	(500.50)
	Proceeds from sale of property, plant and equipment	18.41	9.03
	Investment made in subsidiaries	(6,500.00)	(1,999.95)
	Dividend income	-	0.17
	Purchase of investments	(523,836.13)	(272,528.36)
	Sale of investments	516,348.56	265,652.34
	Net cash used in investing activities (B)	**(14,378.84)**	**(9,367.27)**
C	**Cash flows from financing activities**		
	Proceeds from issue of share capital and share warrants (including premium and net of share issue expenses)	8,781.24	2,500.00
	Proceeds from debt securities	19,386.62	9,483.23
	Repayment of debt securities	(46,824.32)	(25,500.70)
	Proceeds from borrowings other than debt securities	354,805.44	171,771.72
	Repayment of borrowings other than debt securities	(190,106.28)	(191,562.60)
	Lease payments	(499.41)	(102.42)
	Repayment of subordinated liabilities	(7,152.39)	(7,684.89)
	Net cash generated from/(used in) financing activities (C)	**138,390.90**	**(41,095.66)**
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	29,279.96	(61,168.75)
	Cash and cash equivalents at the beginning of the year	21,335.16	85,482.03
	Cash and cash equivalents at the end of the half year	**50,615.12**	**24,313.28**
	Cash and cash equivalents	50,615.12	60,096.37
	Less: Overdraft facility against term deposits	-	(35,783.09)
		50,615.12	**24,313.28**

SATIN CREDITCARE NETWORK LIMITED
Unaudited Interim Condensed Consolidated Balance Sheet as at September 30, 2023
(All amounts in ₹ lakhs, unless otherwise stated)

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

SATIN CREDITCARE NETWORK LIMITED

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

(All amounts in ₹ lakhs, unless otherwise stated)

	For the half year ended September 30, 2023	For the half year ended September 30, 2022
I. Income		
Revenue from operations		
Interest income	85,352.62	59,697.82
Dividend income	-	0.17
Rental income	20.30	4.04
Fees and commission income	3,061.19	4,003.58
Net gain on fair value changes	372.85	1,409.48
Net gain on derecognition of financial instruments	10,416.31	5,291.19
Other operating income	287.32	37.71
Total Revenue from operations	**99,510.59**	**70,443.99**
Other income	225.58	152.90
Total Income	**99,736.17**	**70,596.89**
II. Expenses		
Finance costs	40,216.83	30,371.49
Impairment on financial instruments	4,657.46	33,747.25
Employee benefit expenses	21,474.87	19,365.99
Depreciation and amortisation expense	1,042.24	668.01
Other expenses	6,281.83	6,968.14
Total	**73,673.23**	**91,120.88**
Profit before tax	**26,062.94**	**(20,523.99)**
Tax expense:		
Current tax	106.86	130.44
Deferred tax charge / (credit)	6,491.12	(5,404.39)
Total tax expenses	**6,597.98**	**(5,273.95)**
Profit after tax	**19,464.96**	**(15,250.04)**
Other comprehensive income		
Items that will not be reclassified to profit and loss	(1,910.77)	(72.93)
Income tax relating to items that will not be reclassified to profit and loss	480.20	19.22
	(1,430.57)	**(53.71)**
Items that will be reclassified to profit and loss	531.81	176.15
Income tax relating to items that will be reclassified to profit and loss	(133.84)	(44.40)
	397.97	**131.75**
Other comprehensive income	**(1,032.60)**	**78.04**
Total comprehensive income	**18,432.36**	**(15,172.00)**
Net profit after tax attributable to		
Owners of the Parent Company	19,464.96	(15,250.04)
Non-controlling interests	-	-
Other comprehensive income attributable to		
Owners of the Parent Company	(1,032.60)	78.04
Non-controlling interests	-	-
Total comprehensive income attributable to		
Owners of the Parent Company	18,432.36	(15,172.00)
Non-controlling interests	-	-
Earnings per equity share (face value of ₹ 10 per equity share)		
Basic (₹)	21.20	(20.31)
Diluted (₹)	21.20	(20.31)

SATIN CREDITCARE NETWORK LIMITED

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

(All amounts in ₹ lakhs, unless otherwise stated)

	For the half year ended September 30, 2023	For the half year ended September 30, 2022
A Cash flow from operating activities		
Profit / (loss) before tax	26,062.94	(20,523.99)
Adjustments for:		
Depreciation and amortisation	548.88	546.00
Depreciation of right-of-use assets	493.36	122.01
Net loss on derecognition of property, plant and equipment	13.55	6.73
Fair value gain on mutual funds	(219.69)	(209.05)
Unrealised gain on fair value changes of derivatives and investments	(153.16)	(1,200.43)
Property, plant and equipment written off	-	1.30
Impairment on financial instruments	4,657.46	33,747.25
Dividend income	-	(0.17)
Gain on sale of loan portfolio through assignment	(10,416.31)	(5,291.19)
First loss default guarantee (reversal) / expenses	(186.61)	461.89
Effective interest rate adjustment for financial instruments	939.83	912.32
Interest expense for leasing arrangements	110.42	36.30
Net gain on termination of leases	(9.26)	-
Unrealised exchange fluctuation loss (net)	434.73	498.49
Operating profit before working capital changes	**22,276.14**	**9,107.46**
Movement in working capital		
Decrease in trade receivables	96.41	44.61
Increase in loans	(95,343.50)	(33,593.24)
(Increase)/decrease in fixed deposits	(9,163.79)	1,795.48
(Increase)/decrease in other financial assets	(6,893.97)	653.36
Increase in other non-financial assets	(504.27)	(344.09)
Increase/(decrease) in trade and other payables	529.10	(327.78)
(Decrease)/increase in other financial liabilities	(15,094.77)	7,621.37
(Increase)/decrease in provisions	78.21	(77.27)
(Increase)/decrease in other non-financial liabilities	358.65	(96.41)
Cash used in from operating activities post working capital changes	**(103,661.79)**	**(15,216.51)**
Income taxes paid (net)	(2,320.93)	(2,021.53)
Net cash used in operating activities (A)	**(105,982.72)**	**(17,238.04)**
B Cash flows from investing activities		
Purchase of property, plant and equipment	(530.28)	(602.67)
Proceeds from sale of property, plant and equipment	65.13	15.15
Dividend income	-	0.17
Purchase of investments	(523,818.10)	(272,528.17)
Sale of investments	516,348.56	265,652.34
Net cash used in investing activities (B)	**(7,934.69)**	**(7,463.18)**
C Cash flows from financing activities		
Proceeds from issue of share capital and share warrants (including premium and net of share issue expenses)	8,781.24	2,500.00
Proceeds from debt securities	19,386.62	9,483.23
Repayment of debt securities	(47,323.82)	(25,500.70)
Proceeds from borrowings other than debt securities	370,699.22	182,337.96
Repayment of borrowings other than debt securities	(200,114.44)	(197,288.67)
Lease payments	(583.84)	(162.52)
Repayment of subordinated liabilities	(7,152.39)	(7,684.89)
Net cash generated from/(used in) financing activities (C)	**143,692.59**	**(36,315.59)**
Net decrease in cash and cash equivalents (A+B+C)	29,775.18	(61,016.81)
Cash and cash equivalents at the beginning of the year	25,770.63	89,707.76
Cash and cash equivalents at the end of the period	**55,545.81**	**28,690.95**
Notes:		
Cash and cash equivalents	55,545.81	64,474.59
Less: Overdraft facility against term deposits	-	(35,783.64)
	55,545.81	**28,690.95**

SELECTED STATISCAL INFORMATION

*The selected statistical information contained in this section is based on or derived from our Audited Consolidated Financial Statements or Audited Standalone Financial Statements for Fiscals 2021, 2022 and 2023 and from the Unaudited Interim Condensed Consolidated Financial Statements or Unaudited Interim Condensed Standalone Financial Statements for the six months ended September 30, 2022, and September 30, 2023. The following discussion should be read together with the information included in the sections titled "**Summary Financial Information**", "**Management's Discussion and Analysis of Financial Condition and Results of Operations**" and "**Financial Information** on pages 36, 130 and 302, respectively.*

Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance have been included in this section and elsewhere in this Preliminary Placement Document. We compute and disclose such non-GAAP financial measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of financial services businesses, many of which provide such non-GAAP financial measures and other statistical and operational information when reporting their financial results. However, note that these non-GAAP financial measures and other statistical and other information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other financial services companies in India or elsewhere.

*Our Company's Fiscal commences on April 1 and ends on March 31 of the immediately subsequent year, and references to a particular Fiscal are to the 12 months ended March 31 of that year. For further information, see "**Financial Information**" and "**Management's Discussion and Analysis of Financial Condition and Results of Operations**" on pages 302 and 130, respectively.*

Unless otherwise indicated average balances are the averages as of the last day of the relevant period and as of the first day of the relevant period. All ratios are calculated based on the relevant days of operations during the period and are not on an annualized basis.

Return on Equity and Assets

The following table sets forth, for the periods indicated selected financial information relating to the return on equity and assets for our Company:

Consolidated basis

Particulars	As of/for the financial year ended March 31,			As of/for the six-month period ended September 30,	
	2021	2022	2023	2022	2023
Profit/(Loss) After Tax (₹ in lakhs)(1)	(1,398.22)	2,069.89	481.31	(15,250.04)	19,464.96
Pre- Provisioning Profit (₹ in lakhs) (2)	29,212.33	24,447.63	41,436.97	13,685.15	30,533.79
Total Assets (₹ in lakhs)(3)	8,04,471.07	7,65,527.06	7,84,956.81	7,39,535.48	9,35,050.40
AUM (₹ in crores)(4)	8,378.58	7,617.24	9,115.39	7,575.34	10,099.84
Average AUM (₹ in crores)(5)	8,276.12	7,997.91	8,366.32	7,596.30	9,607.62
Net Worth (₹ in lakhs)(6)	1,48,616.46	1,58,185.34	1,62,812.43	1,45,507.07	1,90,019.29
On-book Portfolio (₹ in crores)(7)	6,000.54	5,603.66	6,337.03	5,518.34	7,356.67
Average Net Worth (₹ in lakhs)(8)	1,46,742.69	1,53,400.90	1,60,498.89	1,51,846.20	1,76,415.86
Total Borrowings (₹ in lakhs)(9)	6,18,112.98	5,74,351.88	5,91,124.74	5,53,377.54	7,28,286.94
Return on Average Assets (%)(10)	(0.18%)	0.26%	0.06%	(2.03%)	2.26%
Return on equity (%)(11)	(0.95%)	1.35%	0.30%	(10.04%)	11.03%

Particulars	As of/for the financial year ended March 31,			As of/for the six-month period ended September 30,	
	2021	2022	2023	2022	2023
Debt to Equity Ratio (x times)(12)	4.21	3.67	3.90	3.67	3.86
Average Net Worth/ Average AUM (%)	17.73	19.18	19.18	19.99	18.36
Basic Earnings Per Share (₹)(13)	(2.26)	2.96	0.62	(20.31)	21.20
Diluted Earnings Per Share (₹)(14)	(2.26)	2.72	0.59	(20.31)	21.20
Net Asset Value per equity share (₹)(15)	206.35	210.86	191.04	183.90	190.72

Notes:
(1) Profit/(Loss) After Tax represents our profit/(loss) for the period
(2) Pre-Provisioning Profit represents the sum of profit/ (loss) before tax for the relevant periods and impairment on financial instruments for such periods
(3) Total Assets represents our total assets as of the last day of the relevant period
(4) AUM represents the aggregate of future principal outstanding and overdue principal outstanding, if any, for all loan assets under management which includes loan assets held by the Company as of the last day of the relevant period as well as loan assets which have been transferred by our Company by way of securitization or assignment and are outstanding as of the last day of the relevant period
(5) Average AUM is calculated as average of opening and closing AUM of the relevant period
(6) Net Worth represents sum of other equity and equity share capital as of the last day of the relevant period
(7) On-book Portfolio represents the aggregate of future principal outstanding and overdue principal outstanding, if any, for all loan assets under management which includes loan assets held by the Company as of the last day of the relevant period and are outstanding as of the last day of the relevant period
(8) Average Net Worth is calculated as average of opening and closing Net Worth of the relevant period
(9) Total Borrowings represents the aggregate of debt securities, borrowings (other than debt securities) and subordinated liabilities as of the last day of the relevant period
(10) RoA represents ratio of PAT to the Average Total Assets (average of opening and closing Total Assets as per balance sheet of the relevant period)
(11) RoE represents ratio of PAT to the average Net Worth (average of opening and closing Net Worth as per balance sheet of the relevant period)
(12) Debt to Equity Ratio represents the ratio of Total Borrowings (including interest accrued) to Net Worth.
(13) Basic Earnings Per Share = Profit/(loss) after tax / Weighted average number of equity shares outstanding
(14) Diluted Earnings Per Share = Profit/(loss) after tax / Weighted average number of equity shares outstanding, adjusted for stock option granted under ESOP and Share warrants & stock options
(15) Net Asset Value per equity share = Net Worth as of the last day of the relevant period / Number of equity shares outstanding at the end of the period

Standalone basis

Particulars	As of/for the financial year ended March 31,			As of/for the six-month period ended September 30,	
	2021	2022	2023	2022	2023
Profit/(Loss) After Tax (₹ in lakhs)(1)	(1,355.49)	4,022.51	26,432.92	11,480.20	18,918.00
Pre- Provisioning Profit (₹ in lakhs) (2)	27,700.23	23,098.39	73,736.15	47,604.95	29,326.74
Total Assets (₹ in lakhs)(3)	7,87,451.42	7,37,540.50	7,64,539.65	7,32,957.93	9,14,018.99
AUM (₹ in crores)(4)	7,274.60	6,409.34	7,928.53	6,417.38	8,893.96
Average AUM (₹ in crores)(5)	7,247.25	6,841.97	7,168.93	6,413.36	8,411.25
Net Worth (₹ in lakhs)(6)	1,49,105.25	1,60,624.83	1,91,371.68	1,74,704.56	2,17,848.42
On-book Portfolio (₹ in crores)(7)	5,659.65	5,145.02	5,649.96	4,995.60	6,588.10
Average Net Worth (₹ in lakhs)(8)	1,47,191.11	1,54,865.04	1,75,998.25	1,67,664.70	2,04,610.05
Total Borrowings (₹ in lakhs)(9)	6,02,563.08	5,46,282.74	5,44,748.03	5,20,507.51	6,76,400.22
Return on Average Assets (%)(10)	(0.18%)	0.53%	3.52%	1.56%	2.26%
Return on equity (%)(11)	(0.92%)	2.60%	15.02%	6.85%	9.25%
Debt to Equity Ratio (x times)(12)	4.09	3.44	2.87	3.01	3.13
Average Net Worth/ Average AUM (%)	20.31	22.63	24.55	26.14	24.33
Basic Earnings Per Share (₹)(13)	(2.19)	5.76	33.79	15.29	20.61

Particulars	As of/for the financial year ended March 31,			As of/for the six-month period ended September 30,	
	2021	2022	2023	2022	2023
Diluted Earnings Per Share (₹)[14]	(2.19)	5.29	32.30	14.31	20.61
Net Asset Value per equity share (₹)[15]	207.03	214.11	224.55	220.81	218.65

Notes:

[1] Profit/(Loss) After Tax represents our profit/(loss) for the period

[2] Pre-Provisioning Profit represents the sum of profit/ (loss) before tax for the relevant periods and impairment on financial instruments for such periods

[3] Total Assets represents our total assets as of the last day of the relevant period

[4] AUM represents the aggregate of future principal outstanding and overdue principal outstanding, if any, for all loan assets under management which includes loan assets held by the Company as of the last day of the relevant period as well as loan assets which have been transferred by our Company by way of securitization or assignment and are outstanding as of the last day of the relevant period

[5] Average AUM is calculated as average of opening and closing AUM of the relevant period

[6] Net Worth represents sum of other equity and equity share capital as of the last day of the relevant period

[7] On-book Portfolio represents the aggregate of future principal outstanding and overdue principal outstanding, if any, for all loan assets under management which includes loan assets held by the Company as of the last day of the relevant period and are outstanding as of the last day of the relevant period

[8] Average Net Worth is calculated as average of opening and closing Net Worth of the relevant period

[9] Total Borrowings represents the aggregate of debt securities, borrowings (other than debt securities) and subordinated liabilities as of the last day of the relevant period

[10] RoA represents ratio of PAT to the Average Total Assets (average of opening and closing Total Assets as per balance sheet of the relevant period)

[11] RoE represents ratio of PAT to the average Net worth (average of opening and closing Net worth as per balance sheet of the relevant period)

[12] Debt to Equity Ratio represents the ratio of Total Borrowings to Net Worth

[13] Basic Earnings Per Share = $\frac{\text{Profit/(loss) after tax}}{\text{Weighted average number of equity shares outstanding}}$

[14] Diluted Earnings Per Share = $\frac{\text{Profit/(loss) after tax}}{\text{Weighted average number of equity shares outstanding, adjusted for stock option granted under ESOP and Share warrants \& stock options}}$

[15] Net Asset Value per equity share = $\frac{\text{Net Worth as of the last day of the relevant period}}{\text{Number of equity shares outstanding at the end of the period}}$

Financial Ratios of our Company

The following tables set forth certain key financial indicators for the year/periods indicated.

<u>Consolidated</u>

Particulars	As of/for the financial year ended March 31,			As of/for the six-month period ended September 30,	
	2021	2022	2023	2022	2023
AUM (₹ in crores) [1]	8,378.58	7,617.24	9,115.39	7,575.34	10,099.84
AUM Growth (%)[2]	2.51	(9.09)	19.67	2.63	33.33
Disbursements (₹ in crores)[3]	5,012.12	4,855.51	8,087.06	3,418.07	4,524.52
Disbursement Growth (%)[4]	(44.16)	(3.12)	66.55	114.01	32.37
Number of Active Customers[5] (in lakhs)	30.51	28.12	28.34	26.81	32.14
Number of Total Active Loan Accounts[6] (in lakhs)	33.74	30.01	29.63	28.25	33.35
Net Interest Income (₹ in lakhs) [7]	74,230.97	75,017.87	94,229.23	40,225.40	59,519.34
Average AUM (₹ in crores)[8]	8,276.12	7,997.91	8,366.32	7,596.30	9,607.62
On-book Portfolio (₹ in crores)[9]	6,000.54	5,603.66	6,337.03	5,518.34	7,356.67
Average On-book Portfolio (₹ in crores)[10]	5,435.42	5,802.10	5,970.34	5,561.00	6,846.85
Net Interest Margin (%)[11]	8.97	9.38	11.26	5.30	6.20
Operating Expense (₹ in lakhs) [12]	45,018.64	50,570.24	52,792.26	26,540.25	28,985.55
Opex Ratio(%)[13]	5.44	6.32	6.31	3.49	3.02
Cost-to-Income Ratio[14]	60.65%	67.41%	56.03%	65.98%	48.70%

Particulars	As of/for the financial year ended March 31,			As of/for the six-month period ended September 30,	
	2021	2022	2023	2022	2023
Impairment of financial instruments (₹ in lakhs) [15]	27,902.65	18,073.66	40,808.22	33,747.25	4,657.46
Credit Cost (including provision made under FLDG arrangement) (₹ in lakhs) [16]	30,187.72	21,029.77	40,912.91	34,209.14	4,470.85
Profit/(Loss) After Tax (₹ in lakhs) [17]	(1,398.22)	2,069.89	481.31	(15,250.04)	19,464.96
Provisioning (₹ in lakhs) [18]	29,332.88	35,289.11	12,923.32	15,718.26	13,581.41
Net Worth (₹ in lakhs) [19]	1,48,616.46	1,58,185.34	1,91,371.68	1,45,507.07	1,90,019.29

Notes:

(1) AUM represents the aggregate of future principal outstanding and overdue principal outstanding, if any, for all loan assets under management which includes loan assets held by the Company as of the last day of the relevant period as well as loan assets which have been transferred by our Company by way of securitization or assignment and are outstanding as of the last day of the relevant period
(2) AUM Growth represents percentage growth in AUM for the relevant period over AUM of the previous period
(3) Disbursements represent the aggregate of all loan amounts extended to our customers in the relevant period
(4) Disbursement Growth represents percentage growth in disbursement for the relevant period over disbursement of the previous period
(5) Active Customers represent the aggregate number of customers as of the end of the relevant period including customers whose loan accounts have been transferred by our Company by way of securitization or assignment and are active as of the last day of the relevant period
(6) Total Active Loan Accounts represent the aggregate number of loan accounts outstanding as of the end of the relevant period including loan accounts which have been transferred by our Company by way of securitization or assignment and are outstanding as of the last day of the relevant period
(7) Net Interest Income represents Total Income reduced by finance costs in such period
(8) Average AUM is calculated as average of opening and closing AUM of the relevant period
(9) On-book Portfolio represents the aggregate of future principal outstanding and overdue principal outstanding, if any, for all loan assets under management which includes loan assets held by the Company as of the last day of the relevant period and are outstanding as of the last day of the relevant period
(10) Average On-book Portfolio is calculated as average of opening and closing On-book Portfolio of the relevant period
(11) Net Interest Margin represents the difference between the Gross Yield and the Financial Cost Ratio
(12) Operating Expenses is calculated as total expenses including depreciation but excluding credit cost and finance costs
(13) Operating Expenses Ratio represents the ratio of the Operating Expenses (expenses including depreciation but excluding credit cost and finance costs) to the Average AUM (average of opening and closing AUM of the relevant period)
(14) Cost to Income Ratio represents operating expense (defined as above) divided by NII (defined above)
(15) Impairment of financial instruments implies credit costs (excluding provision made under FLDG arrangement)
(16) Credit Cost implies Impairment of financial instruments including provision made under FLDG arrangement
(17) Profit/(Loss) After Tax represents our profit/(loss) for the period
(18) Provisioning represents the loss allowance on On-Book portfolio loans based on the ECL methodology
(19) Net Worth represents sum of other equity and equity share capital as of the last day of the relevant period

Standalone

Particulars	As of/for the financial year ended March 31,			As of/for the six-month period ended September 30,	
	2021	2022	2023	2022	2023
AUM (₹ in crores) [1]	7,274.60	6,409.34	7,928.53	6,417.38	8,893.96
AUM Growth (%)[2]	0.76	(11.89)	23.70	1.62	38.59
Disbursements (₹ in crores)[3]	4,394.46	4,031.30	7,390.11	3,118.52	4,182.34
Disbursement Growth (%)[4]	(45.38)	(8.26)	83.32	135.36	34.11
Number of Active Customers (in lakhs)[5]	26.56	24.54	25.59	23.40	29.68
Number of Total Active Loan Accounts (in lakhs)[6]	29.79	26.43	26.89	24.85	30.90
Net Interest Income (₹ in lakhs) [7]	65,546.69	65,552.30	1,18,552.01	70,171.98	53,870.02
Average AUM (₹ in crores)[8]	7,247.25	6,841.97	7,168.93	6,413.36	8,411.25
On-book Portfolio (₹ in crores)[9]	5,659.65	5,145.02	5,649.96	4,995.60	6,588.10
Average On-book Portfolio (₹ in crores)[10]	5,140.11	5,402.33	5,397.49	5,070.31	6,119.03
Net Interest Margin (%)[11]	9.10	9.58	11.62	5.47	6.40
Operating Expense (₹ in lakhs) [12]	37,846.43	42,453.91	44,815.86	22,567.03	24,543.28

Particulars	As of/for the financial year ended March 31,			As of/for the six-month period ended September 30,	
	2021	2022	2023	2022	2023
Opex Ratio(%)(13)	5.22	6.20	6.25	3.52	2.92
Cost-to-Income Ratio (%)(14)	57.74	64.76	53.78#	64.35#	45.56
Impairment of financial instruments (₹ in lakhs) (15)	27,521.24	17,542.43	40,229.51	33,506.94	4,438.62
Credit Cost (including provision made under FLDG arrangement) (₹ in lakhs) (16)	28,676.44	17,162.37	39,636.12	33,494.03	4,004.97
Profit/(Loss) After Tax (₹ in lakhs) (17)	(1,355.49)	4,022.51	26,432.92	11,480.20	18,918.00
Provisioning (₹ in lakhs) (18)	28,937.94	34,472.72	11,885.02	14,810.90	12,420.35
Net Worth (₹ in lakhs) (19)	1,49,105.25	1,60,624.83	1,91,371.67	1,74,704.56	2,17,848.42

Notes:

 # Adjusted Cost to Income Ratio excluding one-time income of ₹ 35,215.77 lakhs for Fiscal 2023 and ₹ 35,101.76 lakhs for six-month period ended September 30, 2022.

(1) AUM represents the aggregate of future principal outstanding and overdue principal outstanding, if any, for all loan assets under management which includes loan assets held by the Company as of the last day of the relevant period as well as loan assets which have been transferred by our Company by way of securitization or assignment and are outstanding as of the last day of the relevant period

(2) AUM Growth represents percentage growth in AUM for the relevant period over AUM of the previous period

(3) Disbursements represent the aggregate of all loan amounts extended to our customers in the relevant period

(4) Disbursement Growth represents percentage growth in disbursement for the relevant period over disbursement of the previous period

(5) Active Customers represent the aggregate number of customers as of the end of the relevant period including customers whose loan accounts have been transferred by our Company by way of securitization or assignment and are active as of the last day of the relevant period

(6) Total Active Loan Accounts represent the aggregate number of loan accounts outstanding as of the end of the relevant period including loan accounts which have been transferred by our Company by way of securitization or assignment and are outstanding as of the last day of the relevant period

(7) Net Interest Income represents Total Income reduced by finance costs in such period

(8) Average AUM is calculated as average of opening and closing AUM of the relevant period

(9) On-book Portfolio represents the aggregate of future principal outstanding and overdue principal outstanding, if any, for all loan assets under management which includes loan assets held by the Company as of the last day of the relevant period and are outstanding as of the last day of the relevant period

(10) Average On-book Portfolio is calculated as average of opening and closing of On-book Portfolio of the relevant period

(11) Net Interest Margin represents the difference between the Gross Yield and the Financial Cost Ratio

(12) Operating Expenses is calculated as total expenses including depreciation but excluding credit cost and finance costs

(13) Operating Expenses Ratio represents the ratio of the Operating Expenses (expenses including depreciation but excluding credit cost and finance costs) to the Average AUM (average of opening and closing AUM of the relevant period)

(14) Cost to Income Ratio represents operating expense (defined as above) divided by NII (defined above)

(15) Impairment of financial instruments implies credit costs (excluding provision made under FLDG arrangement)

(16) Credit Cost implies Impairment of financial instruments including provision made under FLDG arrangement

(17) Profit/(Loss) After Tax represents our profit/(loss) for the period

(18) Provisioning represents the impairment on On-book Portfolio loans based on the ECL methodology

(19) Net Worth represents sum of other equity and equity share capital as of the last day of the relevant period

Productivity Parameters

The following table sets forth, for the periods indicated, certain productivity ratios for our Company:

Consolidated basis

Particulars	Financial year ended March 31,			Six months ended September 30	
	2021	2022	2023	2022	2023
Number of branches	1,266	1,232	1,286	1,244	1,335
Number of employees	12,635	12,752	11,131	10,628	12,727
Number of active customers (in lakhs)(1)	30.51	28.12	28.34	26.81	32.14

Notes:

(1) Active Customers represent the aggregate number of customers as of the end of the relevant period including customers whose loan accounts have been transferred by our Company by way of securitization or assignment and are active as of the last day of the relevant period

Standalone basis

Particulars	Financial year ended March 31,			Six months ended September 30	
	2021	2022	2023	2022	2023
Number of branches	1,011	1,029	1,078	1,039	1,115
Number of employees	10,612	10,736	9,222	8,790	10,727
Number of loan officers^	6,511	7,058	6,125	5,697	7,479
Number of active customers (in lakhs)[(1)]	26.56	24.54	25.59	23.40	29.68

Notes:

[(1)] Active Customers represent the aggregate number of customers as of the end of the relevant period including customers whose loan accounts have been transferred by our Company by way of securitization or assignment and are active as of the last day of the relevant period

^Loan officers include Trainee CSO & Quality officers

Geographical Spread of AUM

The following table sets forth the state-wise spread of our AUM:

<u>Consolidated basis</u>

State/Union Territory	AUM[(1)]									
	As of financial year ended March 31,						Six months ended September 30			
	2021		2022		2023		2022		2023	
	AUM (₹ in crores)	% of Total	AUM (₹ in crores)	% of Total	AUM (₹ in crores)	% of Total	AUM (₹ in crores)	% of Total	AUM (₹ in crores)	% of Total
Andra Pradesh	0.05	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%
Arunachal Pradesh	0.00	0.00%	0.00	0.00%	1.51	0.02%	0.00	0.00%	5.73	0.06%
Assam	335.32	4.00%	279.24	3.67%	351.29	3.85%	310.04	4.09%	439.83	4.35%
Bihar	1,309.62	15.63%	1,099.91	14.44%	1,334.77	14.64%	1,080.58	14.26%	1,398.42	13.84%
Chhattisgarh	111.95	1.34%	97.31	1.28%	127.78	1.40%	100.28	1.32%	155.08	1.54%
Delhi & NCR	355.36	4.24%	425.98	5.59%	509.41	5.59%	505.26	6.67%	470.38	4.66%
Gujarat	343.32	4.10%	306.35	4.02%	234.88	2.58%	238.65	3.15%	263.25	2.61%
Haryana	313.06	3.75%	277.72	3.65%	328.61	3.61%	276.53	3.65%	349.42	3.46%
Himachal Pradesh	7.20	0.09%	3.12	0.04%	4.79	0.05%	3.51	0.05%	5.58	0.06%
Jammu & Kashmir	5.44	0.06%	4.46	0.06%	6.94	0.08%	5.60	0.07%	7.09	0.07%
Jharkhand	187.13	2.23%	172.02	2.26%	254.60	2.79%	188.26	2.49%	332.00	3.29%
Karnataka	154.11	1.84%	118.03	1.55%	110.86	1.22%	101.80	1.34%	135.19	1.34%
Kerala	0.01	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%
Madhya Pradesh	726.95	8.68%	633.25	8.31%	597.48	6.55%	566.52	7.48%	649.64	6.43%
Maharashtra	106.19	1.27%	186.82	2.45%	219.77	2.41%	210.61	2.78%	240.18	2.37%
Meghalaya	5.25	0.06%	3.48	0.05%	2.99	0.03%	2.64	0.03%	3.76	0.04%
Orrisa	346.97	4.14%	274.05	3.60%	410.00	4.50%	296.74	3.92%	454.06	4.50%
Pondicherry	0.00	0.00%	7.60	0.10%	3.35	0.04%	4.15	0.05%	3.74	0.04%
Punjab	732.45	8.74%	557.14	7.31%	599.77	6.58%	501.16	6.62%	652.75	6.46%
Rajasthan	454.28	5.42%	425.39	5.58%	515.38	5.65%	435.43	5.75%	572.57	5.66%
Sikkim	1.91	0.02%	2.49	0.03%	2.26	0.02%	3.54	0.05%	1.28	0.01%
Tamil Nadu	359.97	4.30%	276.83	3.63%	279.75	3.07%	242.06	3.20%	311.00	3.08%
Telangana	0.13	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%
Tripura	80.78	0.96%	65.60	0.86%	60.32	0.66%	55.24	0.73%	64.03	0.63%
Uttar Pradesh	1,757.40	20.97%	1,803.57	23.68%	2,449.93	26.88%	1,939.20	25.60%	2,682.19	26.56%
Uttarakhand	116.27	1.39%	120.11	1.58%	147.69	1.62%	124.99	1.65%	147.69	1.46%
West Bengal	567.50	6.77%	476.76	6.26%	561.26	6.16%	382.55	5.05%	754.98	7.48%
Total	**8,378.58**	**100.00%**	**7,617.24**	**100.00%**	**9,115.39**	**100.00%**	**7,575.34**	**100.00%**	**10,099.84**	**100.00%**

Notes:
[(1)] *AUM represents the aggregate of future principal outstanding and overdue principal outstanding, if any, for all loan assets under management which includes loan assets held by the Company as of the last day of the relevant period as well as loan assets which have been transferred by our Company by way of securitization or assignment and are outstanding as of the last day of the relevant period*

Standalone basis

State/Union Territory	AUM(1)									
	As of financial year ended March 31,						Six months ended September 30			
	2021		2022		2023		2022		2023	
	AUM (₹ in crores)	% of Total	AUM (₹ in crores)	% of Total	AUM (₹ in crores)	% of Total	AUM (₹ in crores)	% of Total	AUM (₹ in crores)	% of Total
Andra Pradesh	0.05	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%
Arunachal Pradesh	0.00	0.00%	0.00	0.00%	1.51	0.02%	0.00	0.00%	5.73	0.06%
Assam	335.32	4.61%	279.24	4.36%	351.29	4.43%	310.04	4.83%	439.83	4.95%
Bihar	1,160.97	15.96%	938.47	14.64%	1,213.06	15.30%	946.17	14.74%	1,300.61	14.62%
Chhattisgarh	111.95	1.54%	97.31	1.52%	127.78	1.61%	100.28	1.56%	155.08	1.74%
Delhi & NCR	256.30	3.52%	318.06	4.96%	375.14	4.73%	395.89	6.17%	340.81	3.83%
Gujarat	141.43	1.94%	104.77	1.63%	114.49	1.44%	77.45	1.21%	157.75	1.77%
Haryana	235.71	3.24%	177.53	2.77%	178.54	2.25%	165.66	2.58%	175.89	1.98%
Himachal Pradesh	7.20	0.10%	3.12	0.05%	4.79	0.06%	3.51	0.05%	5.58	0.06%
Jammu & Kashmir	5.44	0.07%	4.46	0.07%	6.94	0.09%	5.60	0.09%	7.09	0.08%
Jharkhand	187.13	2.57%	172.02	2.69%	254.60	3.21%	188.26	2.93%	332.00	3.73%
Karnataka	154.11	2.12%	118.03	1.84%	110.86	1.40%	101.80	1.59%	135.19	1.52%
Kerala	0.01	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%
Madhya Pradesh	562.60	7.73%	537.75	8.39%	551.81	6.96%	483.37	7.54%	602.60	6.78%
Maharashtra	26.12	0.36%	30.80	0.48%	62.17	0.78%	35.94	0.56%	100.20	1.13%
Meghalaya	5.25	0.07%	3.48	0.05%	2.99	0.04%	2.64	0.04%	3.76	0.04%
Orrisa	346.97	4.77%	274.05	4.28%	410.00	5.17%	296.74	4.62%	454.06	5.11%
Pondicherry	0.00	0.00%	7.60	0.12%	3.35	0.04%	4.15	0.06%	3.74	0.04%
Punjab	595.49	8.19%	424.83	6.63%	514.25	6.49%	396.69	6.18%	571.44	6.43%
Rajasthan	362.65	4.99%	325.50	5.08%	358.20	4.52%	326.62	5.09%	380.73	4.28%
Sikkim	1.91	0.03%	2.49	0.04%	2.26	0.03%	3.54	0.06%	1.28	0.01%
Tamil Nadu	359.97	4.95%	276.83	4.32%	279.75	3.53%	242.06	3.78%	311.00	3.50%
Telangana	0.13	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%
Tripura	80.78	1.11%	65.60	1.02%	60.32	0.76%	55.24	0.86%	64.03	0.72%
Uttar Pradesh	1,655.21	22.75%	1,660.05	25.90%	2,241.06	28.27%	1,771.90	27.61%	2,450.34	27.55%
Uttarakhand	116.27	1.60%	120.11	1.87%	147.69	1.86%	124.99	1.95%	147.69	1.66%
West Bengal	565.65	7.78%	467.23	7.29%	555.68	7.01%	378.85	5.90%	747.54	8.41%
Total	**7,274.60**	**100.00%**	**6,409.34**	**100.00%**	**7,928.53**	**100.00%**	**6,417.38**	**100.00%**	**8,893.96**	**100.00%**

Notes:

(1) AUM represents the aggregate of future principal outstanding and overdue principal outstanding, if any, for all loan assets under management which includes loan assets held by the Company as of the last day of the relevant period as well as loan assets which have been transferred by our Company by way of securitization or assignment and are outstanding as of the last day of the relevant period

Geographical Spread of Branches

The following table sets forth the state-wise spread of our branches:

Consolidated basis

	Branches									
	As of financial year ended March 31,						Six months ended September 30			
	2021		2022		2023		2022		2023	
State/Union Territory	***Number of branches***	***% of Total***	***Number of branches***	***% of Total***	***Number of branches***	***% of Total***	***Number of branches***	***% of Total***	***Number of branches***	***% of Total***
Arunachal Pradesh	0	0.00%	0	0.00%	1	0.08%	0	0.00%	1	0.07%
Assam	56	4.42%	55	4.46%	56	4.35%	55	4.42%	57	4.27%
Bihar	160	12.63%	170	13.80%	169	13.14%	170	13.66%	178	13.33%
Chhattisgarh	32	2.53%	32	2.60%	32	2.49%	32	2.57%	32	2.40%
Delhi & NCR	4	0.32%	4	0.32%	8	0.62%	5	0.40%	7	0.52%
Gujarat	76	6.00%	74	6.01%	80	6.22%	77	6.19%	81	6.07%
Haryana	39	3.08%	40	3.25%	43	3.34%	42	3.38%	44	3.30%
Himachal Pradesh	1	0.08%	1	0.08%	1	0.08%	1	0.08%	1	0.07%
Jammu & Kashmir	1	0.08%	1	0.08%	1	0.08%	1	0.08%	1	0.07%
Jharkhand	33	2.61%	33	2.67%	39	3.03%	34	2.73%	42	3.15%
Karnataka	32	2.53%	33	2.68%	39	3.03%	33	2.65%	40	3.00%
Madhya Pradesh	152	12.01%	112	9.09%	110	8.55%	111	8.92%	110	8.24%
Maharashtra	56	4.42%	56	4.55%	63	4.90%	54	4.34%	56	4.19%
Meghalaya	1	0.08%	1	0.08%	1	0.08%	1	0.08%	1	0.07%
Orrisa	72	5.68%	72	5.84%	73	5.68%	72	5.79%	75	5.62%
Pondicherry	0	0.00%	1	0.08%	1	0.08%	1	0.08%	1	0.07%
Punjab	84	6.64%	87	7.06%	86	6.69%	87	6.99%	88	6.59%
Rajasthan	120	9.48%	99	8.04%	104	8.09%	102	8.20%	105	7.87%
Sikkim	1	0.08%	1	0.08%	1	0.08%	1	0.08%	1	0.07%
Tamil Nadu	66	5.21%	65	5.28%	72	5.60%	66	5.31%	73	5.47%
Tripura	14	1.11%	14	1.14%	14	1.09%	14	1.13%	14	1.05%
Uttar Pradesh	189	14.92%	199	16.15%	204	15.86%	200	16.08%	222	16.64%
Uttarakhand	13	1.03%	14	1.14%	14	1.09%	14	1.13%	14	1.05%
West Bengal	64	5.06%	68	5.52%	74	5.75%	71	5.71%	91	6.82%
Total	**1,266**	**100.00%**	**1,232**	**100.00%**	**1,286**	**100.00%**	**1,244**	**100.00%**	**1,335**	**100.00%**

Standalone basis

	Branches									
	As of financial year ended March 31,						Six months ended September 30			
	2021		2022		2023		2022		2023	
State/Union Territory	*Number of branches*	*% of Total*	*Number of branches*	*% of Total*	*Number of branches*	*% of Total*	*Number of branches*	*% of Total*	*Number of branches*	*% of Total*
Arunachal Pradesh	0	0.00%	0	0.00%	1	0.09%	0	0.00%	1	0.09%
Assam	56	5.54%	55	5.34%	56	5.19%	55	5.29%	57	5.11%
Bihar	129	12.75%	129	12.54%	129	11.97%	129	12.42%	135	12.11%
Chhattisgarh	32	3.17%	32	3.11%	32	2.97%	32	3.08%	32	2.87%
Delhi & NCR	2	0.20%	2	0.19%	1	0.09%	1	0.10%	1	0.09%
Gujarat	32	3.17%	31	3.01%	38	3.53%	34	3.27%	39	3.50%
Haryana	31	3.07%	29	2.82%	31	2.88%	31	2.98%	30	2.69%
Himachal Pradesh	1	0.10%	1	0.10%	1	0.09%	1	0.10%	1	0.09%
Jammu & Kashmir	1	0.10%	1	0.10%	1	0.09%	1	0.10%	1	0.09%
Jharkhand	33	3.26%	33	3.21%	39	3.62%	34	3.27%	42	3.77%
Karnataka	32	3.17%	33	3.21%	39	3.62%	33	3.18%	40	3.59%
Madhya Pradesh	87	8.61%	92	8.93%	96	8.90%	92	8.84%	96	8.60%
Maharashtra	25	2.46%	25	2.43%	33	3.06%	25	2.41%	26	2.33%
Meghalaya	1	0.10%	1	0.10%	1	0.09%	1	0.10%	1	0.09%
Orrisa	72	7.12%	72	7.00%	73	6.77%	72	6.93%	75	6.72%
Pondicherry	0	0.00%	1	0.10%	1	0.09%	1	0.10%	1	0.09%
Punjab	57	5.64%	61	5.93%	60	5.57%	60	5.77%	60	5.38%
Rajasthan	80	7.91%	79	7.68%	78	7.24%	79	7.60%	78	7.00%
Sikkim	1	0.10%	1	0.10%	1	0.09%	1	0.10%	1	0.09%
Tamil Nadu	66	6.53%	65	6.32%	72	6.68%	66	6.35%	73	6.55%
Tripura	14	1.38%	14	1.36%	14	1.30%	14	1.35%	14	1.26%
Uttar Pradesh	183	18.10%	191	18.55%	194	18.00%	193	18.57%	208	18.65%
Uttarakhand	13	1.29%	14	1.36%	14	1.30%	14	1.35%	14	1.26%
West Bengal	63	6.23%	67	6.51%	73	6.77%	70	6.74%	89	7.98%
Total	**1,011**	**100.00%**	**1,029**	**100.00%**	**1,078**	**100.00%**	**1,039**	**100.00%**	**1,115**	**100.00%**

Product-wise AUM

Consolidated basis

Particulars	Product-wise AUM									
	As of financial year ended March 31,						As of six months ended September 30			
	2021		2022		2023		2022		2023	
	Product-wise AUM (₹ in lakhs)	***% of Total***	***Product-wise AUM (₹ in lakhs)***	***% of Total***	***Product-wise AUM (₹ in lakhs)***	***% of Total***	***Product-wise AUM (₹ in lakhs)***	***% of Total***	***Product-wise AUM (₹ in lakhs)***	***% of Total***
SCNL - MFI	6,964.36	83.12%	6,056.86	79.52%	7,536.16	82.68%	5,998.23	79.18%	8,545.21	84.61%
SHFL - Housing	225.54	2.69%	317.95	4.17%	505.28	5.54%	362.40	4.78%	567.42	5.62%
SFL - BC	747.70	8.92%	723.62	9.50%	456.02	5.00%	611.51	8.07%	371.01	3.67%
SFL - MSME	130.73	1.56%	166.33	2.18%	225.57	2.47%	184.06	2.43%	267.44	2.65%

Standalone basis

Particulars	Product-wise AUM									
	As of financial year ended March 31,						As of six months ended September 30			
	2021		2022		2023		2022		2023	
	Product-wise AUM (₹ in lakhs)	***% of Total***	***Product-wise AUM (₹ in lakhs)***	***% of Total***	***Product-wise AUM (₹ in lakhs)***	***% of Total***	***Product-wise AUM (₹ in lakhs)***	***% of Total***	***Product-wise AUM (₹ in lakhs)***	***% of Total***
SCNL - MFI	6,964.36	95.74%	6,056.86	94.50%	7,536.16	95.05%	5,998.23	93.47%	8,545.21	96.08%

Product-wise Disbursement

Consolidated basis

Particulars	Product-wise Disbursement									
	Financial year ended March 31,						Six months ended September 30			
	2021		2022		2023		2022		2023	
	Product-wise Disbursement (₹ in lakhs)	***% of Total***	***Product-wise Disbursement (₹ in lakhs)***	***% of Total***	***Product-wise Disbursement (₹ in lakhs)***	***% of Total***	***Product-wise Disbursement (₹ in lakhs)***	***% of Total***	***Product-wise Disbursement (₹ in lakhs)***	***% of Total***
SCNL - MFI	4,273.25	85.26%	3,820.71	78.69%	7,170.89	88.67%	2,964.45	86.73%	4,107.00	90.77%
SHFL - Housing	117.72	2.35%	149.57	3.08%	315.83	3.91%	103.55	3.03%	146.09	3.23%
SFL - BC	440.07	8.78%	578.98	11.92%	253.69	3.14%	142.95	4.18%	105.69	2.34%
SFL - MSME	59.88	1.19%	95.65	1.97%	127.43	1.58%	53.06	1.55%	90.40	2.00%

Standalone basis

Particulars	Product-wise Disbursement									
	Financial year ended March 31,						Six months ended September 30			
	2021		2022		2023		2022		2023	
	Product-wise Disbursement (₹ in lakhs)	***% of Total***	***Product-wise Disbursement (₹ in lakhs)***	***% of Total***	***Product-wise Disbursement (₹ in lakhs)***	***% of Total***	***Product-wise Disbursement (₹ in lakhs)***	***% of Total***	***Product-wise Disbursement (₹ in lakhs)***	***% of Total***
SCNL - MFI	4,273.25	97.24%	3,820.71	94.78%	7,170.89	97.03%	2,964.45	95.06%	4,107.00	98.20%

Borrowing Profile

The following table sets out our borrowing profile:

Consolidated basis

Borrowings	As at March 31,						As at September 30			
	2021		2022		2023		2022		2023	
	₹ in lakhs	***% of Total***	***₹ in lakhs***	***% of Total***	***₹ in lakhs***	***% of Total***	***₹ in lakhs***	***% of Total***	***₹ in lakhs***	***% of Total***
Commercial Paper	3,838.25	0.62%	2,441.29	0.43%	-	0.00%	1,977.56	0.36%	9,874.38	1.36%
External Commercial Borrowing*	26,644.95	4.31%	30,831.82	5.37%	40,898.49	6.92%	23,000.81	4.16%	66,965.37	9.19%
Non- convertible debentures*	1,94,663.22	31.50%	1,40,441.99	24.45%	1,24,266.48	21.02%	1,20,046.72	21.68%	91,908.86	12.62%
Preference share*	2,499.63	0.40%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Liability against securitised assets	5,501.35	0.89%	50,294.24	8.76%	1,14,564.33	19.38%	88,924.49	16.07%	1,17,483.21	16.13%
Lease liability	877.73	0.14%	728.66	0.13%	1,410.22	0.24%	611.10	0.11%	1,702.68	0.23%
Overdraft	10,990.30	1.78%	19,418.72	3.38%	-	0.00%	35,783.64	6.47%	-	0.00%
Term Loan*	3,73,097.55	60.36%	3,30,195.16	57.48%	3,09,985.22	52.44%	2,83,033.22	51.15%	4,40,352.44	60.47%
Grand Total	**6,18,112.98**	**100.00%**	**5,74,351.88**	**100.00%**	**5,91,124.74**	**100.00%**	**5,53,377.54**	**100.00%**	**7,28,286.94**	**100.00%**

Also includes amount of subordinate debt

Standalone basis

Borrowings	As at March 31,						As at September 30			
	2021		2022		2023		2022		2023	
	₹ in lakhs	*% of Total*	*₹ in lakhs*	*% of Total*	*₹ in lakhs*	*% of Total*	*₹ in lakhs*	*% of Total*	*₹ in lakhs*	*% of Total*
Commercial Paper	3,838.25	0.64%	2,441.29	0.45%	-	0.00%	1,977.56	0.38%	9,874.38	1.46%
External Commercial Borrowing*	26,644.95	4.42%	30,831.82	5.64%	40,898.49	7.51%	23,000.81	4.42%	66,965.37	9.90%
Non- convertible debentures*	1,92,172.21	31.90%	1,37,948.55	25.25%	1,21,770.33	22.35%	1,17,551.96	22.59%	89,911.73	13.29%
Preference share other than those that qualify as equity*	2,499.63	0.41%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Liability against securitised assets	5,501.35	0.91%	50,294.24	9.22%	1,14,564.33	21.03%	88,924.49	17.08%	1,17,483.21	17.37%
Lease liability	659.72	0.11%	500.93	0.09%	1,236.37	0.23%	423.96	0.08%	1,346.90	0.20%
Overdraft	10,989.97	1.82%	19,418.55	3.55%	-	0.00%	35,783.09	6.87%	-	0.00%
Term Loan*	3,60,257.00	59.79%	3,04,847.36	55.80%	2,66,278.51	48.88%	2,52,845.64	48.58%	3,90,818.63	57.78%
Grand Total	**6,02,563.08**	**100.00%**	**5,46,282.74**	**100.00%**	**5,44,748.03**	**100.00%**	**5,20,507.51**	**100.00%**	**6,76,400.22**	**100.00%**

Also includes amount of subordinate debt

Classification of Assets: The Master Directions prescribed by the RBI, among other matters, require us to observe the classification of our assets; treatment of NPAs; and provisioning against NPAs. For further information, see "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" on page 130.

The following table sets forth certain information regarding classification of our assets and provisioning:

<u>Consolidated basis</u>

Asset Classification	**As at March 31,**			**As at September 30**	
	2021	**2022**	**2023**	**2022**	**2023**
	(₹ in lakhs, except %)				
On-book Loan Portfolio- (Gross carrying amount as per Annual report)					
Stage 1 (I)	5,45,294.96	5,12,239.61	6,21,013.83	5,25,884.04	7,25,309.99
Stage 2 (II)	13675.79	8341.44	4,422.65	9,995.44	6,550.92
Stage 3 (III)	49,977.73	45,549.30	20,371.50	21,806.40	17,811.31
Total On-book Loan Portfolio (IV)	**6,08,948.48**	**5,66,130.35**	**6,45,807.98**	**5,57,685.88**	**7,49,672.21**
ECL Allowance- Loans					
Stage 1 (V)	2,747.84	1,453.53	1,414.08	1,771.46	1,934.52
Stage 2 (VI)	5854.8	4,501.49	982.54	2,996.57	1,492.01
Stage 3 (VII)	20,730.24	29,333.06	10,525.69	10,950.23	10,154.88
Total ECL Allowance Loans (VIII)	**29,332.88**	**35,288.08**	**12,922.31**	**15,718.26**	**13,581.41**
Net Loan Portfolio					
Stage 1(IX- I-V)	5,42,547.12	5,10,786.08	6,19,599.75	5,24,112.58	7,23,375.47
Stage 2 (X=II-VI)	7,820.99	3,839.95	3,440.11	6,998.88	5,058.91
Stage 3 (XI=III-VII)	29,247.49	16,216.24	9,845.81	10,856.16	7,656.43
Total Net Loan Portfolio (XII=IV-VIII)	**5,79,615.60**	**5,30,842.27**	**6,32,885.67**	**5,41,967.62**	**7,36,090.81**

<u>Standalone basis</u>

Asset Classification	**As at March 31,**			**As at September 30**	
	2021	**2022**	**2023**	**2022**	**2023**
	(₹ in lakhs, except %)				
On-book Loan Portfolio- (Gross carrying amount as per annual report)					
Stage 1 (I)	5,17,705.13	4,74,351.89	5,58,989.93	4,81,372.96	6,54,804.13
Stage 2 (II)	12,973.14	5280.63	2018.35	6,918.15	2,815.92
Stage 3 (III)	49,755.90	44,579.96	19,297.93	20,657.96	15,990.12
Total On-book Loan Portfolio (IV)	**5,80,434.17**	**5,24,212.48**	**5,80,306.21**	**5,08,949.07**	**6,73,610.16**
ECL Allowance- Loans					
Stage 1 (V)	2,573.10	1,285.51	1,057.62	1,576.95	1,657.91
Stage 2 (VI)	5,743.51	4,216.90	740.91	2,707.86	1,190.90
Stage 3 (VII)	20,621.33	28,970.31	10,086.49	10,517.09	9,571.54
Total ECL Allowance Loans (VIII)	**28,937.94**	**34,472.72**	**11,885.02**	**14,801.90**	**12,420.35**
Net Loan Portfolio					
Stage 1(IX- I-V)	5,15,132.03	4,73,066.38	5,57,932.31	4,79,796.01	6,53,146.22
Stage 2 (X=II-VI)	7,229.63	1,063.73	1,277.44	4,210.29	1,625.02
Stage 3 (XI=III-VII)	29,134.57	15,609.65	9,211.44	10,140.87	6,418.58
Total Net Loan Portfolio (XII=IV-VIII)	**5,51,496.23**	**4,89,739.76**	**5,68,421.19**	**4,94,147.17**	**6,61,189.82**

Capital Adequacy

Under the Master Direction – Non-Banking Financial Company –Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016, we are required to maintain a minimum capital adequacy ratio consisting of Tier I and Tier II capital, which shall not be less than 15.00% of our aggregate risk weighted assets. The following table sets forth certain information relating to the CRAR of our Company based on our financial position as of the periods indicated:

Standalone basis

Particulars	**As at March 31,**			**As at September 30**	
	2021	**2022**	**2023**	**2022**	**2023**
	(₹ in lakhs except %)				
Tier I Capital	1,20,713.88	1,20,476.73	1,22,559.70	1,02,016.66	1,48,056.96
Tier II Capital	33,984.75	23,787.96	6,233.76	13,407.14	1,874.00
Total Capital	1,54,698.63	1,44,264.69	1,28,793.46	1,15,423.80	1,49,930.97
Total Risk Weighted Assets	6,11,907.18	5,18,283.11	4,83,749.80	4,79,637.76	5,82,775.81
Capital Adequacy Ratio / Capital to Risk Weighted Assets Ratio					
CRAR - Tier I capital (%)	19.73%	23.25%	25.34%	21.27%	25.41%
CRAR - Tier II capital (%)	5.55%	4.59%	1.28%	2.79%	0.32%
CRAR (%)	25.28%	27.84%	26.62%	24.06%	25.73%

RELATED PARTY TRANSACTION

For details in relation to the related party transactions entered into by our Company during Fiscals 2021, 2022 and 2023 and six months period ended September 30, 2023, as per the requirements under Ind AS 24 'Related party disclosures', as applicable and notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standard) Rules 2015, as amended and as reported see "***Financial Information***" on pages 461, 644, 813 and 868.

RISK FACTORS

An investment in equity shares involves a high degree of risk. Prospective investors should carefully consider each of the following risk factors and all other information set forth in this Preliminary Placement Document before making an investment in our Equity Shares. The risks and uncertainties described below are not the only risks that we currently face. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also adversely affect our business, financial condition, results of operations and cash flows and could cause the market price of the Equity Shares to decline and you could lose all or part of your investment and could cause the market price of the Equity Shares to decline and you could lose all or part of your investment.

*In making an investment decision with respect to this Issue, you must rely on your own examination of our Company and the terms of this Issue, including the merits and risks involved. To obtain a more detailed understanding of our Company, prospective investors should read this section in conjunction with "**Our Business**", "**Industry Overview**", **"Selected Statistical Information", "Financial Information" "Legal Proceedings"** and "**Management's Discussion and Analysis of Financial Condition and Results of Operations**" on pages 217, 172, 61, 302, 292 and 130, respectively, as well as the financial, statistical, and other information contained in this Preliminary Placement Document.*

Potential investors should consult their tax, financial and legal advisors about the particular consequences of investing in the Issue. The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. Unless specified or quantified in the relevant risk factors below, we are unable to quantify the financial or other impact of any of the risks described in this section.

*Unless otherwise indicated, industry and market data used in this section has been derived from the report "Analysis of Microfinance Industry in India" dated November 2023 ("**CRISIL Report**") prepared and released by CRISIL Limited and exclusively commissioned and paid for by us pursuant to the appointment of CRISIL vide request letter dated November 3, 2023, in connection with the Issue.*

Our fiscal year commences on April 1 and ends on March 31 of the subsequent year, and references to a particular Fiscal are for the 12 months ended March 31 of that year. Unless otherwise indicated or the context otherwise requires, the financial information corresponding to (i) Fiscal 2021, Fiscal 2022 and Fiscal 2023 has been derived from the Audited Consolidated Financial Statements and the Audited Standalone Financial Statements, (ii) the six month period ended September 30, 2022 and September 30, 2023 for the unaudited interim condensed consolidated statement of profit and loss and unaudited interim condensed statement of cash flows has been derived from the Unaudited Interim Condensed Consolidated Financial Statements and the Unaudited Interim Condensed Standalone Financial Statements, and (v) September 30, 2023 for the unaudited interim condensed consolidated balance sheet has been derived from the Unaudited Interim Condensed Consolidated Financial Statements and the Unaudited Interim Condensed Standalone Financial Statements. Financial information for the six months ended September 30, 2022, and September 30, 2023 is not annualized and not indicative of full year results, and is not comparable with annual financial statements presented in this Preliminary Placement Document.

Unless otherwise indicated or the context otherwise requires, in this section, references to "we", "us" and "our" are to the Company together with its Subsidiaries, on a consolidated basis.

Unless specified or quantified in the relevant risk factors below, we are unable to quantify the financial or other implications or any of the risks described in this section.

INTERNAL RISKS

<u>*RISKS RELATING TO OUR BUSINESS AND INDUSTRY*</u>

1. ***We operate in a highly regulated industry and changes in the laws, rules and regulations applicable to us may adversely affect our business, financial condition, results of operations and cash flows.***

We operate in a highly regulated industry and we have to adhere to various laws, rules and regulations. NBFCs, particularly microfinance institutions, and housing finance companies ("HFCs") in India are subject to strict regulation and supervision by the RBI. We require various approvals, licenses, registrations and permissions for operating our business, including registration with the RBI as a NBFC. Further, our wholly-owned subsidiary, SHFL is a HFC which is regulated by the

National Housing Bank, a subsidiary of the Reserve Bank of India. HFCs are required to maintain prudential norms for income recognition, accounting standards, asset classification, provision for bad and doubtful assets, capital adequacy and concentration of credit/investment to be observed. Accordingly, legal and regulatory risks are inherent and substantial in our business.

As we operate under licenses or registrations obtained from the applicable regulators, we are subject to actions that may be taken by such regulators in the event of any noncompliance of any applicable policies, guidelines, circulars, notifications and regulations issued by the relevant regulators, penalties, revocation of licenses and reputational impact.

For instance, our Company's registration to operate as a NBFC-MFI is subject to its compliance with the conditions and directions issued by RBI, including the requirement to maintain a minimum net owned funds of ₹500 lakhs and hold not less than 75% of its total assets, in the nature of 'qualifying assets' , as per the recently introduced Master Direction - Reserve Bank of India (Regulatory Framework for Microfinance Loans) Directions, 2022 ("**Microfinance Loan Directions**"). Under the earlier qualifying asset criteria, a NBFC-MFI is required to have a minimum of 85% of its net assets as qualifying assets. The definition of qualifying assets has now been aligned with the definition of microfinance loans. In order to be classified as a 'qualifying asset', a loan is required to satisfy the prescribed criteria laid down for microfinance loans in the Microfinance Loan Directions. Our Company is not currently in compliance with the qualifying asset criteria mentioned in the Microfinance Loan Directions and has sought time from RBI till March 31, 2024, to achieve the prescribed norms, which was granted vide RBI letter dated July 6, 2023. While our Company has currently obtained a waiver, there can be no assurance that it will be able to fulfil the criteria by March 31, 2024, and that no action will be initiated by RBI against it in the future. The failure to satisfy the criteria within the stipulated timelines, may result in RBI taking any action as they may deem fit which could adversely impact our ability to carry out our MFI operations.

Further, due to the amalgamation of Taraashna Financial Services Limited into and with Satin Finserv Limited (SFL), SFL, which is registered as a NBFC, was not fulfilling the principal business criteria laid down by RBI as of March 31, 2023. According to the principal business criteria, 50% of total assets of the NBFC should be financial assets and at least 50% of the gross income should be from financial activities. However, the RBI vide letter dated July 22,2022, granted SFL time till March 31, 2024, for fulfilling the said criteria and SFL was consequently able to fulfil the requirement as of September 30, 2023. While our Company and SFL were granted waivers by RBI, and were consequently able to fulfil the prescribed requirement within the stipulated timelines, there can be no assurance that a similar waiver will be obtained from RBI or any other regulator in case of any non-compliance of any applicable policies, guidelines, circulars, notifications and regulations in the future. Non-compliance with any such regulatory requirements may also trigger defaults under some of our current financing agreements which in turn will adversely impact our operations, future financial performance and credit rating.

Any changes in the laws, rules and regulations applicable to us may also adversely affect our business, financial condition and results of operations. For instance, following the introduction of the guidelines on Income Recognition, Asset Classification and Provisioning in 2020, we are required to classify loans as NPAs when days past due crosses 90 and maintain these as special mention accounts till the days past due become zero. If there are any technology lapses relating to such classification, we may be subject to penalties.

The laws and regulations governing the banking and financial services industry in India have, therefore, become increasingly complex and cover a wide variety of issues, such as interest rates, liquidity, investments, ethical issues, money laundering and privacy. These laws and regulations can be amended, supplemented or changed at any time such that we may be required to restructure our activities and incur additional expenses to comply with such laws and regulations, which could adversely affect our business and our financial performance. Further, many of the regulations applicable to our operations may be subject to varying interpretations. If the interpretation of the regulators and authorities varies from our interpretation, we may be deemed to be in contravention of such laws and may be subject to penalties and legal proceedings being initiated against us. Unfavourable changes in or interpretations of existing laws, rules and regulations, could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. In addition, we are also subject to the corporate laws, taxation laws and other laws in effect in India which require continued monitoring and compliance on our part. If we fail to comply with these requirements, or a regulator alleges we have not complied with these requirements, we may be subject to penalties and compounding proceedings.

2. Some of our financing documents require us to obtain consents from our lenders for issuance of equity shares, including for undertaking the Issue, and we have not received consent from one of our lenders.

Some of our financing documents require us to obtain consents from the relevant lenders to issue Equity Shares. We have made applications to such lenders from whom we require approvals for undertaking an issuance of Equity Shares. As on the date of this Preliminary Placement Document, we have obtained consents from the relevant lenders, except from the State Bank of India ("**SBI**"), from whom we require prior written permission *inter-alia* for effecting any change in the capital structure and opening new bank accounts with respect to the Issue.

Undertaking the Issue without consent from SBI, would constitute a default under the relevant financing documents entered into with SBI ("**SBI Financing Documents**"), which would entitle SBI to declare a default against us and enforce remedies against us that include *inter-alia* acceleration of repayment or recalling of the amounts outstanding under the SBI Financing Documents, appointment of a nominee director on our Board, taking any legal action, including institution of a suit under the relevant provisions of the SARFAESI Act for recovery of dues, enforcement of the security interest created under the SBI Financing Documents and taking possession of such secured assets or converting the whole or part of the outstanding amount of the loan into Equity Shares, at their option.

Further, the consents that we have received from some of our lenders, such as Bank of Maharashtra and Bandhan Bank, are subject to our Company having received consent from all other lenders, wherever required. The consequent failure to obtain consent from SBI thereby entitles such lenders to withdraw their conditional consent, declare an event of default and enforce similar remedies as enumerated under the SBI Financing Documents (such conditional consents, together with the SBI consent that we are currently awaiting, the "**Pending Lender Consents**" and the financing documents relating to such Pending Lender Consents, the "**Pending Lender Consents Financing Documents**"). Any defaults, under the Pending Lender Consent Financing Documents may also trigger cross default or cross acceleration provisions under our other financing agreements.

If the obligations under any of our financing documents are accelerated or any security created under such agreements enforced, we may have to dedicate a substantial portion of our cash flows towards payments under such financing documents, thereby reducing the amounts available for working capital, capital expenditure and general corporate purposes, and our operations and financial condition may be adversely impacted. We cannot assure you that our business will generate sufficient cash to enable us to service our debt or to fund our other liquidity needs. We may also need to refinance all or a portion of our debt on or before maturity. We cannot assure you that we will be able to refinance any of our debt on commercially reasonable terms or at all.

Additionally, given that majority of our funding is obtained from banks, we cannot assure you that any default under our financing agreements will not impact our ability to obtain funding from banks on favourable terms, or at all. Further, we cannot assure you that we will be able to find alternative sources of funding on equally favourable terms, or at all, which could adversely affect our liquidity and financial conditions. The aforementioned defaults may also result in a decline in the trading price of the Equity Shares and you may lose all or part of your investment. The Pending Lender Consents may also impose onerous conditions which could limit our ability to use the proceeds in a manner anticipated by us. For further details, please refer to risk factor – "***Our failure to comply with financial and other negative covenants under our loan agreements may materially and adversely affect our financial condition, results of operations, cash flows and business prospects***" on page 92.

3. Non-payment or default owing to the profile of borrowers in the microfinance industry, whom we service, may adversely affect our business, results of operations, cash flows and financial condition.

Our target clients for microfinance loans comprise low income generating women who are economically active and have limited access to mainstream financial credit products. While we have developed an operations methodology pursuant to which we follow specific client selection criteria and ensure adherence to our internally developed risk policy framework, our clients generally have limited sources of income and credit histories, and may not have tax returns, bank or credit card statements, statements of previous loan exposures, or other documents through which we can accurately assess their credit worthiness. For information relating to our due diligence and credit analysis procedures, see "***Our Business – Business Operations***" on page 230. We may not, therefore, in certain instances, receive information regarding any change in the financial condition of our customers or in certain cases our customers may provide inaccurate or incomplete information to us. The lack of availability of information or incomplete or inaccurate information, in connection with our customers may make it difficult for us to take an informed decision with regards to providing financial facilities to such persons. As a result, such clients may pose a higher risk of default than borrowers with greater financial resources and more established credit histories, or those with better access to education, employment opportunities and social services.

Further, in our microfinance loan offering, we rely primarily on non-traditional peer guarantee mechanisms (which are also not enforceable in the manner of a formal agreement) such as the joint liability group model, rather than any tangible assets such as collateral. In a joint liability group model, borrowers form a centre/group, usually comprising 8-32 members, on an average, and provide joint and several undertakings/acknowledgments to pay back the loans availed by each member of the group/centre. There can be no assurance that joint liability group arrangements will ensure repayment by other members of a group in the event of default by any one of the members. These arrangements are likely to fail- (a) if there is no meaningful personal relationship among members of such group, (b) if members do not participate regularly in group meetings, (c) if inadequate risk management procedures have been employed to verify the group members and their ability to repay such loans, or (d) as a result of adverse external factors. As a result, our borrowers potentially present a higher risk of loss in cases of credit default compared to borrowers in other asset-backed financing products.

For instance, in the past, our business has been adversely impacted by the COVID-19 pandemic, which increased our level of NPAs and write-offs and temporarily reduced the demand for our products. Further, primarily because of government imposed lockdowns and safe distancing measures which resulted in us not being able to have physical meetings with our customers during certain periods, especially the Financial Year 2021, our collection efficiency, on a standalone basis, for the Financial Year 2021 was lower than that for the Financial Years 2022 and 2023, as set forth in the table below:

Particulars	**As of/ for the financial year ended March 31,**			**As of/for the six-month period ended September 30,**	
	2021	**2022**	**2023**	**2022**	**2023**
Collection efficiency (%)	94.35%	95.91%	99.60%	98.78%	99.08%

Owing to the nature of borrowers in our microfinance loan portfolio, we may experience higher levels of NPAs and write-offs in the future, which may adversely affect our business, results of operations and financial condition. For further information, see "- ***We are exposed to operational and credit risks which may result in NPAs, and we may be unable to control or reduce the level of NPAs in our portfolio. If we are unable to manage the level of NPAs or provisioning requirement as per regulatory requirements, our cash flows, financial position and results of operations may suffer***" below.

4. We are exposed to operational and credit risks which may result in NPAs, and we may be unable to control or reduce the level of NPAs in our portfolio. If we are unable to manage the level of NPAs or provisioning requirement as per regulatory requirements, our cash flows, financial position and results of operations may suffer.

Our ability to manage the credit quality of our portfolio is a key driver of our results of operations. We make contingent provisions against standard assets and NPAs, which are recognized under impairment of financial instruments in our financial statements, in accordance with guidelines issued by the RBI. We also create provisions as prescribed under IND AS 109 following ECL (Expected Credit Loss). In addition to making provisions on loan assets, the RBI requires us to classify and make provisions towards NPAs and standard assets. As of September 30, 2023, our Gross NPA was ₹ 15,657.60 lakhs and our stage-3 Provision Coverage Ratio, i.e. provision coverage ratio for loan assets that are due for more than 90 days, stood at 61.13%. If the number of our loans that become NPAs increase, the credit quality of our loan portfolio will decrease, and the provisioning requirement will also increase.

Set forth below are details of our asset quality ratios, as well as provisions made, as of each of the corresponding periods:

(*in ₹ lakhs, unless otherwise specified*)

Asset Classification	**As at March 31,**			**As at September 30**	
	2021	**2022**	**2023**	**2022**	**2023**
	(₹ in lakhs, except %)				
On-book Loan Portfolio- (Gross carrying amount as per Annual report)					

Asset Classification	As at March 31,			As at September 30	
	2021	2022	2023	2022	2023
	(₹ in lakhs, except %)				
Stage 1 (I)	5,45,294.96	5,12,239.61	6,21,013.83	5,25,884.04	7,25,309.99
Stage 2 (II)	13675.79	8341.44	4,422.65	9,995.44	6,550.92
Stage 3 (III)	49,977.73	45,549.30	20,371.50	21,806.40	17,811.31
Total On-book Loan Portfolio (IV)	**6,08,948.48**	**5,66,130.35**	**6,45,807.98**	**5,57,685.88**	**7,49,672.21**
ECL Allowance- Loans					
Stage 1 (V)	2,747.84	1,453.53	1,414.08	1,771.46	1,934.52
Stage 2 (VI)	5854.8	4,501.49	982.54	2,996.57	1,492.01
Stage 3 (VII)	20,730.24	29,333.06	10,525.69	10,950.23	10,154.88
Total ECL Allowance Loans (VIII)	**29,332.88**	**35,288.08**	**12,922.31**	**15,718.26**	**13,581.41**
Net Loan Portfolio					
Stage 1(IX- I-V)	5,42,547.12	5,10,786.08	6,19,599.75	5,24,112.58	7,23,375.47
Stage 2 (X=II-VI)	7,820.99	3,839.95	3,440.11	6,998.88	5,058.91
Stage 3 (XI=III-VII)	29,247.49	16,216.24	9,845.81	10,856.16	7,656.43
Total Net Loan Portfolio (XII=IV-VIII)	**5,79,615.60**	**5,30,842.27**	**6,32,885.67**	**5,41,967.62**	**7,36,090.81**

**As per new definition of RBI for NPA*

Notes:

(1) Stage 1 (1-30 days) includes loan assets that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date.

(2) Stage 2 (31-90 days) includes loan assets that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment.

(3) Stage 3 (more than 90 days) includes loan assets that have objective evidence of impairment at the reporting date.

There can be no assurance that we will be able to maintain our NPA ratios in proportion with the credit performance of our borrowers, or at which our credit and our underwriting analysis, servicing and collection systems and controls will be adequate. Any incorrect estimation of risks may result in our provisions not being adequate to cover any further increase in the amount of NPAs or any further deterioration in our NPA portfolio. Events such as the COVID-19 pandemic may exacerbate the extent of NPAs in our portfolio, as demonstrated by the spike in our Gross NPA Ratio to 8.01% as of March 31, 2022, compared to 3.28% as of March 31, 2023. Further, our peers may have better asset quality, which may in turn lead to our peers having high profitability and low provisioning requirements. Any incorrect estimation of risks, including those relating to collection efficiency, may result in our provisions not being adequate to cover further increase in the amount of NPAs or deterioration in our NPA portfolio. Factors outside our control may lead to increased NPAs, such as developments in the Indian and global economy, political factors, changes in borrower behaviour and demographic patterns, natural calamities, diseases and changes in regulations, including requirements on us to lend to stipulated sectors. In the event of any deterioration in our NPA portfolio, or if our provisioning coverage is insufficient to cover our NPAs, our ability to raise additional capital and debt funds, as well as our business prospects, financial condition, results of operations and cash flows could be adversely affected.

5. *Our business has substantial and continuous capital requirements and any disruption in accessing funds would adversely impact our business, liquidity, financial conditions and results of operations.*

The liquidity and profitability of our business depends, in large part, on our timely access to, and the costs associated with, raising funds and getting loans and advances. Our funding requirements historically have been met from various sources, including bank loans, non-convertible debentures and external commercial borrowings. Our ability to raise debt funding and equity capital on acceptable terms and in a timely manner depends on various factors, including our current and future results of operations, risk management policies, brand equity and our Promoter's shareholding in our Company, developments in the domestic markets and international markets affecting the Indian economy as well as regulatory environment and policy initiatives in India. In addition, the cost and availability of our debt capital also depends on our short-term and long-term credit ratings.

Any downgrade in our credit ratings could also increase borrowing costs and adversely affect our access to capital and debt markets, as well as increase the probability that our lenders may impose additional terms and conditions to any financing or refinancing arrangements we enter into in the future. Any downgrade in our credit ratings may also adversely impact our current or future borrowings. For instance, on August 26, 2022, CARE Ratings Limited downgraded our Company's credit rating from "CARE A-; negative" to "CARE BBB+ stable" on account of the delayed recovery in the stressed portfolio from Assam and increase in concentration of exposure to top 20 borrowers, which led to an increase in our total borrowings from ₹ 5,53,377.54 lakhs for the six month period ended September 30, 2022 to ₹ 7,28,286.94 lakhs for the six month period ended September 30, 2023.

Our ability to raise foreign funds through debt is also governed by RBI regulations and is subject to restrictions, including raising loans only from recognized lenders and with minimum average maturity period of not less than three years, except in specified cases. Any changes to the regulations on priority sector lending may also disrupt our sources of funding. As of the date of this Preliminary Placement Document, the RBI mandates domestic scheduled commercial banks (excluding regional rural banks and SFBs) and foreign banks operating in India, to maintain an aggregate 40.00% of adjusted net bank credit or credit equivalent amount of off-balance sheet exposure, whichever is higher, as 'priority sector lending'. In the event that the laws relating to priority sector lending to banks undergo a change, or if any part of our loan portfolio is no longer classified as priority sector lending by the RBI, or if we are no longer able to satisfy the prescribed conditions to be eligible for such classification, our ability to raise resources based on priority sector advances, and consequently our credit ratings, would be hindered.

Set forth below are details of our debt funding, including the average cost thereof:

(*in ₹ lakhs, unless otherwise specified*)

Particulars	**As of and for the year ended March 31**			**As of and for the six-month period ended September 30**	
	2021	**2022**	**2023**	**2022**	**2023**
Total Borrowings[(1)]	6,18,112.98	5,74,351.88	5,91,124.74	5,53,377.54	7,28,286.94
Average Cost of Borrowings (%)[(2)]	10.19%	10.87%	10.34%	5.44%	5.48%

Notes:

[(1)] *Total Borrowings represents the aggregate of debt securities, borrowings (other than debt securities) and subordinated liabilities as of the last day of the relevant period*

[(2)] *Average Cost of Borrowings represents finance cost for the relevant period as a percentage of average borrowings (including interest accrued) in such period*

Our margins are affected by our ability to continue to secure low-cost funding at rates lower than the interest rates at which we lend to our borrowers. For further details, see "-***We are subject to risks arising from interest rate fluctuations, which could adversely affect our business, results of operations and financial condition***" below. If we are unable to obtain adequate financing in a timely manner or on acceptable terms, our business, results of operations, cash flows and financial condition may be adversely affected.

6. We have geographic concentration in certain States and therefore are dependent on the general and regional economic, geopolitical and natural conditions and activities in such states and regions.

We derive a significant portion of our revenues from certain states, where a majority of our branches are located, and a majority of our AUM originates from. Set forth below are details of our AUM distribution as of September 30, 2023, in our top five States:

Sr No.	**Particulars**	**AUM as of September 30, 2023 (in Rs crores)**	**% of total AUM**
1.	Uttar Pradesh	2,682.19	26.56%
2.	Bihar	1,398.42	13.84%
3.	West Bengal	754.98	7.48%
4.	Punjab	652.75	6.46%
5.	Madhya Pradesh	649.64	6.43%

For further information on a state-wise breakdown of our AUM, see "***Selected Statistical Information –Geographical Spread of AUM***" on page 67. Our concentration in certain States indicated above where our operations are focussed, exposes us to adverse geological, ecological, economic and/or political circumstances in those respective regions. If there is a sustained downturn in the economy of those regions or a sustained change in financial patterns, adverse political developments or regional calamities, our business, financial position and results of operations may be adversely affected.

7. ***We are subject to risks arising from interest rate fluctuations, which could adversely affect our business, results of operations and financial condition***

We borrow funds in the domestic and international markets from various banks and financial institutions to meet the long-term and short-term funding requirements for our operations and funding our growth initiatives. The financing products we currently offer to our clients are at a fixed rate of interest, however, our funding arrangements include both fixed and floating rate borrowings.

Interest rates on our borrowings could be affected by a variety of factors, including access to capital based on our business performance, the volume of loans we make to our customers, competition and regulatory requirements, as well as those beyond our control, including the monetary policies of the RBI, deregulation of the financial sector in India, domestic and international economic and political conditions and other factors, which have historically resulted in changes in interest rates in India. Such interest rates may also be affected by a change over time in the mix of the types of loans we provide to our customers, the mix of new and renewal loans and a shift among our channels of customer acquisition.

In the event the interest rate on our borrowings increase and we are unable to increase the interest rate charged by us on our future loan disbursements, simultaneously and in the same proportion, or, in a declining interest rate environment, if our cost of funds does not decline simultaneously or to the same extent as the yield on our interest-earning assets, our Net Interest Income and Net Interest Margin would be adversely impacted. For instance, there was delayed recovery and an increase in NPAs and write-offs during the COVID-19 pandemic which led to the downgrading of our credit rating by CARE Ratings Limited from "CARE A-; negative" to "CARE BBB+ stable" and a consequent increase in our overall cost of borrowings. Set forth below are details of our Net Interest Income, and Net Interest Margin, for each of the corresponding periods:

(in ₹ lakhs, unless otherwise specified)

	As of and for the financial year ended March 31			**As of and for the six-month period ended September 30**	
Particulars	**2021**	**2022**	**2023***	**2022**	**2023**
Net Interest Income	74,230.97	75,017.87	94,229.23	40,225.40	59,519.34
Net Interest Margin (%)	8.97%	9.38%	11.26%	5.30%	6.20%

**The Net Interest Income and Net Interest Margin for the financial year ended March 31, 2023 and the six-month period ended September 30, 2023, include a one-time income of about ₹ 35,215.77 lakhs on account of revaluation gain on investment in subsidiaries*
Notes:
(1)Net Interest Income represents the total income reduced by the finance costs in such period
(2)Net Interest Margin represents the difference between the Gross Yield and the Financial Cost Ratio. Gross Yield represents the ratio of total income in the relevant period to the Average AUM. Financial Cost Ratio represents the ratio of financial cost in the relevant period to the Average AUM (average of opening and closing AUM of the relevant period).

Increasing interest rates may also result in additional risks, including increases in the rates of interest charged by us resulting in higher monthly instalments due from borrowers which could, in turn, result in higher rates of default and delayed repayments and limited access to low-cost funds or deposits as compared to some of our competitors. Our inability to manage our interest rate effectively may have an adverse effect on our Net Interest Margin, thereby adversely affecting our business and future financial performance.

8. ***Our operations involve handling cash in high volumes through a dispersed network of branches which makes us susceptible to operational risks including, misappropriation, embezzlement or fraud by our employees, which may adversely affect our business, operations and ability to recruit and retain employees.***

Our operations, including lending and collection, involve handling significant amounts of cash, thereby exposing us to the risks of loss, fraud, misappropriation, or unauthorized transactions by our employees responsible for dealing with such cash collections. The following table sets forth the fraud detected and reported for the periods indicated:

Particulars	**For the year ended March 31**						**For the six-month period ended September 30**			
	2021		**2022**		**2023**		**2022**		**2023**	
	Number of cases	**Aggregate amount (in ₹**	**Number of cases**	**Aggregate amount (in ₹**	**Number of cases**	**Aggregate amount (in ₹ lakhs)**	**Number of cases**	**Aggregate amount (in ₹**	**Number of cases**	**Aggregate amount (in ₹ lakhs)**

		lakhs)		**lakhs)**				**lakhs)**		
Frauds detected and reported	295	482.72	278	194.48	235	516.44	24	112.17	109	13.83

Our Company has also filed an F.I.R. dated October 19, 2004 under sections 408, 420, 467, 468 and 471 read with section 120-B of the Indian Penal Code, 1860 against certain of its employees on the grounds of criminal breach of trust, forgery and fraud submitting that the erstwhile employees had prepared false loan documents (with false addresses and signatures) and false verification reports with the purpose of defrauding money from our Company, leading to an aggregate loss of ₹ 8.00 lakhs. The matter is currently pending. For further details, see "***Legal Proceedings- Litigation involving our Company- Litigation by our Company- Criminal Litigation by our Company***" on page 293.

We are actively engaged in migrating to a cashless environment to mitigate the risk of cash handling. We have enabled contactless repayments via popular apps like Google pay, Paytm, PhonePe etc. and introduced a payment link on our Company's website along with a QR code on the loan application cards to facilitate efficient repayment and minimize fraud. However, the majority of our current operations are still carried out in cash. While we have and intend to continue to invest in our technology-enabled operating procedures to improve our operational and risk management efficiencies, given the high volume of transactions involving cash handling by us currently, there may be future instances of fraud and misconduct by our representatives or employees, some of which may go unnoticed before actions are taken by us. Further, we prefer hiring our field staff locally and any regulatory or other proceedings initiated against us in connection with any such unauthorized transaction, fraud or misappropriation by our employees, could adversely affect our goodwill, business prospects, future financial performance and our ability to recruit or retain employees.

9. ***We rely heavily on our information technology platform for our business operations. Any security breaches or disruption to our systems and our inability to successfully develop or upgrade our technological systems could materially and adversely affect our business.***

We rely on our information technology platform for operational aspects of our business as well as for the scalability and growth of our business. Our operations are dependent on the secure processing, storage, and transmission of confidential and other information in our computer systems and networks. Though no breach of customer data has been observed in the past, our computer systems, software and networks are vulnerable to unauthorized access, computer viruses or other malicious code and other events that could compromise data integrity and security. For instance, an attempt to hack the mail server of our Company through a Cylance ransomware attack was detected on July 18, 2023, which was duly reported to RBI and the Stock Exchanges. Our Company took prompt corrective action and isolated the infected servers, as a result of which there was no loss of customer data or other business related sensitive information. However, we cannot assure you that a similar attack, that could compromise data integrity and security, will not take place in the future.

In addition, we are dependent on third-party vendors and independent contractors for certain elements of our operations, such as digital collection through UPI and KYC verification. We are exposed to several risks, including but not limited to, (i) external vendors or service providers being unable to fulfil their contractual obligations to us (or being subject to the risk of operational errors by their respective employees); (ii) the vendors or their employees being involved in any fraud or wilful default and (iii) the risk that our (or our vendors') business continuity and data security systems prove to be inadequate. For instance, our erstwhile subsidiary, Taraashna Financial Services Limited recently terminated the services of one of its vendors, a fintech company, on account of certain fraudulent transactions by the vendor and its employees. While there has been no further material failure by third parties to perform their obligations under agreements, in the three preceding Fiscals and the six month period ended September 30, 2023, and there are currently no material pending disputes regarding such services, there can be no assurance that such failure to perform will not take place in future. If there is a disruption in the third-party services, or if the third-party service providers discontinue their service agreements with us, our business, financial condition, cash flows and results of operations will be adversely affected. In case of any dispute, we cannot assure you that the terms of such agreements will not be breached, and this may result in litigation or other costs. Additionally, certain of our agreements require us to indemnify our counterparties for certain losses, and limit contractual or other liabilities of our counterparties to fees or other amounts received by them from us for a certain period of time. If such indemnities are invoked, or if our counterparties limit their liabilities to an extent that our losses are not fully recovered, we may incur additional costs. Such additional costs may adversely affect our business, financial condition and results of operations.

Further, if we fail to adapt to technological advances such as artificial intelligence (AI), business analytics, digital lending solutions, mobile banking and access to lender aggregators quickly and effectively, it could affect the performance and features of our product offerings and services and reduce our attractiveness to existing and potential borrowers, thereby adversely affecting our business, financial condition, results of operations, and cash flow.

10. We are dependent on our Board, members of our Senior Management, Key Managerial Personnel and our employees, and the loss of, or our inability to hire, retain, train, and motivate qualified personnel could adversely affect our business, results of operations, cash flows and financial condition.

As of September 30, 2023, we have 12,727 employees. We are dependent on our Board, Key Managerial Personnel and members of our Senior Management and employees for our operations. The RBI also mandates NBFCs to have in place supervisory standards to ensure that directors have appropriate qualifications, technical expertise and a sound track record, and such requirements may make it more difficult for us to identify suitable replacement for our directors. Further, the non-maintenance of key man insurance makes it difficult for us to find suitable replacements for our key managerial personnel. We also face a continuing challenge to hire, assimilate, train, and retain skilled personnel. Competition for management and other skilled personnel is intense, and we may not be able to attract and retain the managerial and other personnel we need in the future.

Set forth below are the attrition rates of our Company's employees and senior management for the financial years ended March 31, 2021, March 31, 2022 and March 31, 2023 and for the six month period ended September 30, 2022 and September 30,2023, on a standalone basis:

Particulars	**For the year ended March 31**			**For the six-month period ended September 30**	
	2021	**2022**	**2023**	**2022**	**2023**
Attrition rate of our employees (%)	46.19%	43.51%	51.13%	28.61%	28.86%
Attrition rate of our Senior Management (%)	20.22%	44.44%	27.69%	30.00%	4.71%

Large scale attrition, especially at the senior management level, can make it difficult for us to manage and grow our business. The loss of key managerial personnel or our inability to replace key managerial personnel may restrict our ability to grow, to execute our strategy, to raise the profile of our brand, to raise funding, to make strategic decisions and to manage the overall running of our operations, which would have an adverse effect on our results of operations and financial position. Moreover, labour disputes, protracted wage negotiations, work stoppages and strike actions may impair our ability to carry on our day-to-day operations, which could adversely affect our results of operations. We have not faced any such material labour disputes, protracted wage negotiations, work stoppages or strike actions in the past.

11. Our growth may be materially and adversely affected by an inability to respond promptly and effectively to new technological innovations.

Our ability to respond to technological advances on a cost-effective and timely basis may have an impact on our growth. Technological innovation such as digital wallets, mobile operator banking, advancements in blockchain technology could disrupt the financial services industry and increase competition as a whole. If we fail to adapt to such technological advances quickly and effectively it could affect the performance and features of our products and services and reduce our attractiveness to existing and potential customers hereby adversely affecting our business, financial condition, results of operations, and cash flows. For instance, automated lending has revolutionized the way lenders manage risk, providing them with more effective tools and strategies to mitigate potential losses. Automated lending platforms integrate with various data sources, including credit bureaus and financial institutions, to access real-time information about borrowers. This enables lenders to assess the risk associated with a loan application promptly and disburse loans instantly. If we fail to adopt the automated lending platform before our competition, it could significantly impact our operations.

Our competitors may also make more significant and effective investments in innovation, growth of their businesses and enhancing their customer reach and engagement and may outcompete us in any of these areas. Increased investments made or innovative services offered by our competitors may require us to divert significant managerial, financial and human resources in order to remain competitive, and ultimately may reduce our market share and negatively impact the revenues growth and profitability of our business.

LEGAL AND REGULATORY RISKS

12. ***Our Company's non-convertible debentures are listed on BSE and we are subject to rules and regulations with respect to such listed non-convertible debentures. Further, there were instances of alleged non-compliance in the past in relation to such listed non-convertible debentures. Any such non-compliance or any failure to comply with such rules and regulations in the future, may result in certain penal actions being initiated against us, which may have an adverse effect on our business , reputation, results of operations, cash flows and financial condition***

Our Company has issued non-convertible debentures ("**NCDs**") of different series, which are listed on the debt segment of BSE. We are required to comply with various applicable rules and regulations in terms of our listed NCDs, including the SEBI Listing Regulations, which requires us to inter alia disclose our quarterly financial results, subject to a limited review, within a stipulated period from the end of the quarter.

Set forth are the details of communications received from BSE, imposing fines on the Company due to certain instances of non-compliance in the last three fiscals, and the consequent action taken by the Company. Our Company has, in the past three fiscals, paid a total of ₹ 51,000 (excluding tax) in penalties to BSE for various non-compliances.

Date of relevant communication	Particulars of the non-compliance	Relevant regulation of the SEBI Listing Regulations	Fine imposed (in ₹)*	Action taken
July 10, 2020	Delay in furnishing prior intimation about the meeting of the board of directors for raising of funds	29(2) and 29(3)	10,000	The Company obtained a waiver since the board meeting had to be held on short notice due to certain exigent circumstances and it had already duly submitted an intimation to the stock exchanges on the raise of funds and this specific intimation was in the nature of an incremental additional intimation.
September 28, 2022	Non-submission/ delay of information related to payment obligations on certain prescribed dates	57(1)	47,27,000	The Company communicated to BSE that it had submitted the requisite information as per the prescribed timelines. It also attached the requisite acknowledgment slips as proof. Pursuant to the representation made by the Company, the fine was consequently withdrawn.
September 28, 2022 January 9, 2023	Delay in providing notice of record date regarding certain NCDs during the months of March 2021, September 2021, October 2021 and November 2021	60(2)	50,000	The Company requested for waiver submitting that the delay had happened on account of the COVID-19 pandemic. This was a follow-up communication from BSE pursuant to its email dated September 28, 2022. While the Company had initially submitted a request for waiver, it paid the requisite fine and closed the matter.
September 28, 2022	Delay in furnishing prior intimation with respect to date of payment of interest / redemption amount or intimation regarding board meeting effecting the rights or interest of holders of NCDs/NCRPS in the months of January and July 2021.	50(1)	3,000	The Company communicated to BSE that it had submitted the requisite information as per the statutory timelines. Post scrutiny, it was found that there had been a delay on the Company's part in submitting the requisite

				information in the month of January, 2021. Accordingly, the Company paid a fine of ₹1,000 plus taxes. The fine imposed for the month of July was withdrawn.
January 9, 2023	Non-disclosure of information related to payment obligations	57(1)	47,80,000	This was a follow-up communication from BSE pursuant to its email dated September 28, 2022. The Company communicated to BSE that it had submitted the requisite information as per the prescribed timelines. Pursuant to the representation made by the Company, the fine was consequently withdrawn.
January 30, 2023	Non-disclosure/delay in providing certain information related to payment obligations of listed NCDs and commercial papers for the month ended December 2022	57(1)	36,000	The Company has submitted that it does not have any listed commercial paper. Further, it has also communicated to BSE that it has submitted compliances within timelines as prescribed under regulation 57(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Regulations) with respect to payment of Non-convertible Debentures for month ended December, 2022. Pursuant to the representation made by the Company, the fine was consequently withdrawn.

**Basic fine excluding GST at the rate of 18 percent per annum*

In relation to the communications issued in the last three fiscals, BSE did not take any further action against our Company, other than imposition of fines, and our Company was able to successfully obtain waiver for certain non-compliances as well as ensure withdrawal of fines imposed under Regulations 50(1) and 57(1) of the SEBI Listing Regulations. However, there can be no assurance that our Company will be able to receive such waivers/withdrawal of fines for any non-compliance in future. Any such non-compliance or any failure to comply with such rules and regulations in the future, may also result in certain penal actions being initiated against us, which may have an adverse effect on our business, reputation, results of operations, cash flows and financial condition.

13. We are subject to periodic inspections by the RBI. Non-compliance with observations made by the RBI during these inspections could expose our Company and our Subsidiaries to penalties and restrictions, which may have an adverse effect on our business, results of operations, cash flows and financial condition.

Our Company and our Subsidiary, SFL, are subject to periodic inspections by RBI as NBFCs. RBI as a part of its supervisory processes, conducts periodic inspections pursuant to which it issues observations, directions and monitorable action plans, on issues related to, amongst other things, our operations, risk management systems, internal controls, regulatory compliance and credit monitoring systems. During the course of finalizing inspections, the RBI inspection team shares its findings and recommendations with us and provides us with an opportunity to provide clarifications, additional information and, where necessary, justification for a different position, if any, than that observed by the RBI. The RBI incorporates such findings in its final inspection report and, upon final determination by the RBI of the inspection results, we are required to take actions specified in the inspection report issued by the RBI to its satisfaction, including, without limitation, requiring us to make provisions, implement credit rating and scoring models for loans, and tighten controls and compliance measures. Any significant deficiencies identified by the RBI that we are unable to rectify to the RBI's satisfaction could lead to sanctions and penalties imposed by the RBI against us and our management, as well as expose us to increased risks.

In Fiscals 2021 and 2022, RBI conducted an offsite inspection of our Company's operations over virtual conferencing due to the ongoing COVID-19 pandemic. There were no material adverse observations and no subsequent letter was issued to our

Company by RBI formally recording its observations pursuant to the inspection.

RBI also conducted a select scope inspection of SFL with respect to its financial position as of March 31, 2022, and issued the following observations pursuant to which SFL took corresponding corrective actions:

Observations by RBI	Actions/ Measures taken by SFL
The board should periodically review its loan portfolio in view of increased GNPA and concentration of loans and advances in its asset portfolio.	SFL submitted that its board quarterly reviews the loan portfolio, including asset quality and GNPA. In addition to above, its risk management committee reviews the risks associated with its asset quality and portfolio. SFL further submitted that the board has approved various changes in itscredit and collection policy, including addition of several parameters to ensure customer's eligibility, exclusion of risky locations and legal process in order to strengthen the credit and legal collection process. SFL has significantly invested in its collection manpower (which has increased from 50 in April 2021 to 83 in March 2022) to strengthen the collection process.
The company should assess assets quality in view of high growth of advances and prescribe quantifiable limits.	SFL submitted that the financial numbers as on March 31, 2022 had some impact of COVID, moratorium and other restructuring provided by it as per applicable laws. However, the management and board of directors have reviewed the assets quality on quarterly basis and have made significant changes in its policies in order to ensure the assets quality of loan portfolio. SFL also additionally submitted that it maintained required and sufficient limit as prescribed by RBI for CRAR, provisions and liquidity coverage ratio.
The NBFC is advised to ensure consistency of data in published balance sheet and various returns and maintain data integrity.	SFL submitted that its balance sheet items include principal and interest numbers both whereas RBI reporting is done on principal numbers only. It further undertook to submit consistent data in balance sheet and various returns.
The company should strengthen internal control to avoid instances of misappropriation of cash.	This observation is with respect to the fraud case amounting to Rs 21,580 instituted by SFL against its erstwhile employee, SFL has submitted that it has a defined system in place to detect frauds, which is adequate to detect fraud ín the shortest possible time. It has defined processes for each transaction from sales to collection and its staff are well versed/trained to prevent or deal with fraud at all levels. Further, SFL submitted that, other than this, no other employee has committed any fraud against it. SFL follows an aggressive and pre- fraud detection approach.

While we have taken steps, or are in the process of taking steps, to address the identified issues, there can be no assurance that RBI will not make other observations in the future. In the event we are unable to resolve such deficiencies and other matters to RBI's satisfaction, we may be restricted in our ability to conduct our business as we currently do. Further, while we attempt to comply with all regulatory provisions, directions or observations applicable to us, including in connection with RBI's inspection reports described immediately above, we could be subject to penalties and restrictions which may be imposed by the RBI. Imposition of any penalty or adverse findings by the RBI during the ongoing or any future inspections may have an adverse impact on our reputation, business prospects, financial condition, cash flows and results of operations. In the event that we fail to comply with the RBI observations as committed, or in case we seek waivers or extensions for complying with the observations, the RBI may take adverse action against us, including placing stringent restrictions on our operations or even revoking our registration/ licence.

14. Certain statutory and regulatory licenses and approvals are required for conducting our business and any failure or omission to obtain, maintain or renew these licenses and approvals in a timely manner, or at all, could adversely affect our business, cash flows and results of operations.

We require several approvals, licenses, registrations and permissions to operate our business, including a registration for our Company with the RBI as an NBFC-MFI as well as various other corporate actions, such as certificates of incorporation and registrations under the various tax and labour legislations. In the future, we will be required to maintain such permits and approvals and obtain new permits and approvals for any proposed expansion strategy or diversification into additional business lines or new financial products. We cannot assure you that the relevant authorities will issue any such permits or approvals in a timely manner, or at all, or on favourable terms and conditions. Our failure to comply with the terms and conditions of such permits or approvals or to maintain or obtain the required permits or approvals may result in an interruption of our business operations and may have an adverse effect on our operations.

In addition, we require several registrations to operate our branches in the ordinary course of business. These registrations include those required to be obtained or maintained under applicable legislations governing shops and establishments, professional tax and GST registrations of the particular state in which we operate, and expire from time to time. Accordingly, we have either made an application to the appropriate authorities for renewal of certain branch-specific approvals or are in the process of making such applications. For instance, we are in the process of obtaining the renewed shops and establishment registration for our branches included those located in Mogra, Karanga, Mangaldoi, Lanka, Shillong and Mysore.

Any failure to renew the approvals that have expired, or to apply for and obtain the required approvals, licenses, registrations or consents, or any suspension or revocation of any of the approvals, licenses, registrations or consents that have been or may be issued to us, may materially and adversely affect our business or results of operations.

15. Our Company, Promoter, Directors and Subsidiaries are involved in certain legal and other proceedings and there can be no assurance that our Company and/or Subsidiaries will be successful in any of these legal actions. In the event our Company and/or Subsidiaries are unsuccessful in any of the disputes, our business and results of operations may be adversely affected.

There are outstanding legal and regulatory proceedings involving our Company, Directors, Promoter and Subsidiaries which are pending at different levels of adjudication before various courts, tribunals and other authorities. Such proceedings could divert the management's time and attention and consume financial resources in their defense or prosecution. The amounts claimed in these proceedings have been disclosed to the extent that such amounts are ascertainable and quantifiable and include amounts claimed jointly and severally, as applicable. Any unfavorable decision in connection with such proceedings, individually or in the aggregate, could adversely affect our reputation, business, financial conditions, and results of operations. The summary of such outstanding legal and regulatory proceedings as on the date of this Preliminary Placement Document is set out below:

Name of entity	Criminal proceedings	Tax proceedings	Statutory or regulatory proceedings	Material civil litigations	Aggregate amount involved (₹ in lakhs)^
Company					
By the Company	1*	Nil	Nil	Nil	8*
Against the Company	4**	3	Nil	Nil	227.65**
Directors					
By our Directors	Nil	Nil	Nil	Nil	Nil
Against the Directors	Nil	Nil	Nil	Nil	Nil
Promoter					
By promoter	Nil	Nil	Nil	Nil	Nil
Against promoter	Nil	Nil	Nil	Nil	Nil
Subsidiaries					
By Subsidiaries	1**	Nil	Nil	Nil	459.07***
Against Subsidiaries	Nil	Nil	Nil	Nil	Nil

^To the extent ascertainable

** Excluding 318 complaints filed by the Company under section 138 of the Negotiable Instruments Act, 1881 aggregating to an amount of ₹ 2,482.08 lakhs.*

***Including 4 criminal miscellaneous applications filed against our Company involving an aggregate amount of ₹ 1.66 lakhs.*

**** Excluding 66 complaints filed by SHFL under the Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002 aggregating to an amount of ₹ 625.07 lakhs, 20 complaints filed by SHFL under section 138 of the Negotiable Instruments Act, 1881 aggregating to an amount of ₹ 101.91 lakhs and 174 complaints filed by SFL under section 138 of the Negotiable Instruments Act, 1881 aggregating to an amount of ₹ 1,385.78 lakhs.*

We cannot assure you that any of these on-going matters will be settled in favour of our Company or Subsidiaries, or that no additional liability will arise out of these proceedings. Further, we cannot assure you that there will be no new legal and regulatory proceedings involving our Company, our Subsidiaries or our Promoter or Directors in the future. For further information, see "***Legal Proceedings***" on page 292. An adverse outcome in any such proceedings may have an adverse effect on our business, financial position, prospects, results of operations and our reputation.

16. Regulatory or legislative developments regarding privacy and data security matters could adversely affect our ability to conduct our business.

Numerous domestic and international laws and regulations address privacy and the collection, storing, sharing, use, disclosure, and protection of certain types of data. These laws, rules, and regulations evolve frequently and their scope may continually change, through new legislation, amendments to existing legislation, and changes in enforcement. Additionally, many laws and regulations relating to privacy and the collection, storing, sharing, use, disclosure, and protection of certain types of data are subject to varying degrees of enforcement and new and changing interpretations by courts or regulators. Changes in laws or regulations relating to privacy, data protection, and information security, particularly any new or modified laws or regulations, or changes to the interpretation or enforcement of such laws or regulations, that require enhanced protection of certain types of data or new obligations with regard to data retention, transfer, or disclosure, could require changes to our operations, or even prevent us from providing our platforms in the future.

As part of our operations, we are required to comply with the Information Technology Act, 2000 ("**Information Technology Act**") and the rules thereof, each as amended which provides for civil and criminal liability including compensation to persons affected, penalties and imprisonment for various cyber related offenses, including unauthorized disclosure of confidential information and failure to protect sensitive personal data. India has already implemented certain privacy laws, including the Information Technology (Reasonable security practices and procedures or information) Rules, 2011, which impose limitations and restrictions on the collection, use, disclosure and transfer of personal information.

Additionally, the Digital Personal Data Protection Act, 2023 ("**DPDP Act**") was notified in August 2023 and is yet to come into effect. It replaces the existing data protection provisions, as contained in Section 43A of the Information Technology Act. The DPDP Act seeks to balance the rights of individuals to protect their personal data with the need to process personal data for lawful and other incidental purposes. The DPDP Act focuses on personal data protection for implementing organizational and technical measures in processing digital personal data and lays down norms for cross-border transfer of personal data including ensuring the accountability of entities processing personal data. The DPDP Act requires companies that collect and deal with high volumes of personal data to fulfil certain additional obligations such as appointment of a data protection officer for grievance redressal and a data auditor to evaluate compliance with the DPDP Act. The DPDP Act further provides that personal data may be processed only in accordance with the DPDP Act, and for a lawful purpose after obtaining the consent of the individual or for certain legitimate uses. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects.

Several jurisdictions have implemented new data protection regulations and others are considering imposing additional restrictions or regulations. We expect data protection regulations to continue to increase both in number, complexity and in the level of stringency. The entry into force of the General Data Protection Regulation (EU) 2016/679 ("**GDPR**"), in the European Union prompted various countries to begin processes to reform their data protection regimes. In many cases, these regulations have strict measures regulating both the transfer of data externally, and also the storage and transfer of data internally among the employees in the course of their work. Moreover, these regulations may have conflicting and/or inconsistent requirements, and compliance with one data protection regime does not necessarily entail compliance with another data protection regime, and compliance with one data protection regime could potentially create conflicts in compliance with another data protection regime. Any failure to comply with applicable data protection regimes could subject us to significant penalties and negative publicity, which could have a material adverse effect on our business, financial condition, reputation before our Customers and providers, and results of operations. The introduction of new information technology legislation may also require us to modify our existing systems or invest in new technologies to ensure compliance with such applicable laws, which may require us to incur additional expenses and adversely affect our financial condition. Our failure to adhere to or successfully implement processes in response to changing regulatory requirements in this area could result in legal liability or impairment to our reputation in the marketplace, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

FINANCIAL RISKS

17. Our failure to comply with financial and other negative covenants under our loan agreements may materially and adversely affect our financial condition, results of operations, cash flows and business prospects

As on the date of this Preliminary Placement Document, we have 72 lenders on a standalone basis. Our ability to meet our debt service obligations and repay our outstanding borrowings will depend primarily on the cash generated by our business, which depends on the timely repayment by our borrowers. Our financing agreements contain certain restrictive covenants that limit our ability to undertake certain types of transactions, any of which could adversely affect our business and financial condition. We are required to obtain prior approval from certain of our lenders, as well as send prior intimation to certain of our lenders for, among other things:

- Effecting any changes to capital structure and shareholding pattern of our Company (including any consequent dilution of the current shareholding of directors, promoters, member(s) of the promoter group and other shareholders of our Company)
- Making any amendments to the constitutional documents i.e. Articles of Association and Memorandum of Association, (including changes made to ensure compliance with the requirements of the Stock Exchanges and Securities and Exchange Board of India)
- effecting any changes in the management (including key managerial personnel) of our Company, including changes in the practice with regard to remuneration of directors opening new bank accounts with respect to the Issue

Except for the consents from lenders specified under "***-Some of our financing documents require us to obtain consents from our lenders for issuance of equity shares, including for undertaking the Issue, and we have not received consent from one of our lenders***" on page 79 ("**Pending Lender Consents**"), we have applied to our lenders and we have received consents from lenders, including debenture trustees, to the extent required, in relation to this Issue. However, certain consents received by us from our lenders are subject to certain specific conditions. For instance, SIDBI has granted its consent to the Issue subject to there being no dilution in securities charged to it and HDFC Bank has issued its NOC subject to the condition that the promoter shareholding should not fall below 30% of the post-issue paid-up capital. Further, the consent from another lender is subject to our Company submitting the updated list of shareholders and updated charter documents within 15 days of completion of the Issue.

In the event we fail to comply with the aforesaid terms and conditions, the lenders may withdraw their consent or may also require us to repay the outstanding loans or facilities, which may have an adverse impact on our business, financial positions, cash flows, and operations. Further, any failure, in the future, to comply with the restrictive negative conditions and covenants in our financing agreements that is not waived off or consented to by our lenders could lead to an event of default and the consequent termination of our credit facilities could adversely affect our business, results of operations, financial condition, and cash flows.

Under these agreements, certain lenders also require us to maintain certain financial ratios such as CRAR, RoA, Portfolio Quality/NPA and debt to equity ratio. We have had certain instances of breach of such covenants in our financing agreements during the three preceding Fiscals and the six month period ended September 30, 2023, which include, *inter-alia,* the following:

a) Maintaining our Company's NNPA at a ratio which is less than 2.50% of its AUM, on a standalone basis, during the financial year ended March 31, 2024.
b) Maintaining the loan loss reserve ratio at a certain prescribed requirement, for the fiscal quarters ended December 31, 2022, March 31 2023, June 30, 2023 and September 30, 2023.
c) Maintaining our Company's portfolio quality at a specified threshold, with the cumulative sum of the PAR30 ratio, refinancing/restructured assets and previous 12 month write-off on GLP being less than or equal to 4%.
d) Maintaining our Company's portfolio quality at a maximum permissible ratio of the sum of PAR30 and trailing 12 month write-off on GLP being less than 5%.

While our Company has intimated the lenders of the instances of breach of such covenants under the respective financial agreements and has requested for a waiver for the non-compliances, and the lenders have not taken any adverse action, as on date, there can be no assurance that we will be able to receive such waivers for any breach in future, or that action will not be initiated by the lenders against us.

A failure to observe the financial and restrictive negative covenants under our financing arrangements or to obtain necessary waivers may lead to the termination of our credit facilities, acceleration of amounts due under such facilities and the enforcement of any security provided. Pursuant to clauses in certain financing agreements, any defaults under such facilities may also trigger cross default or cross acceleration provisions under our other financing agreements. If the obligations under any of our financing documents are accelerated or any security created under such agreements enforced, we may have to dedicate a substantial portion of our cash flows towards payments under such financing documents, thereby reducing the amounts available for working capital, capital expenditure and general corporate purposes. Additionally, during any period in which we are in default, we may be unable to raise, or may face difficulties raising, further financing. In addition, we cannot assure you that our business will generate sufficient cash to enable us to service our debt or to fund our other liquidity needs. We may also need to refinance all or a portion of our debt on or before maturity. We cannot assure you that we will be able to refinance any of our debt on commercially reasonable terms or at all.

18. We have incurred net loss in the financial year ended March 31, 2021 and the six-month period ended September 30, 2022, and we may not be able to achieve or maintain profitability in the future, thereby restricting our cash flows and ability to raise capital and expand our business.

We reported net loss of ₹ 1,398.22 lakhs for the financial year ended March 31, 2021, primarily owing to the impact of COVID-19 on our operations. Further, we reported a net loss of ₹ 15,250.04 lakhs on account of elimination of gain on revaluation of investment in subsidiaries. The following table sets forth certain information with respect to our results of operations in the years/period indicated:

(in ₹ lakhs, unless otherwise specified)

Particulars	**For the year ended**			**For the six month period ended**	
	March 31, 2021	**March 31, 2022**	**March 31, 2023**	**September 30, 2022**	**September 30, 2023**
Total Revenue from Operations	1,37,569.57	1,37,679.98	1,55,729.04	70,443.99	99,510.59
Total Income	1,38,017.68	1,38,089.38	1,55,902.33	70,596.89	99,736.17
Profit/(loss) before Tax	(975.39)	3,417.86	524.07	(20,523.99)	26,062.94
Profit/(loss) after tax	(1,398.22)	2,069.89	481.31	(15,250.04)	19,464.96

On account of severe pandemics /other black swan events, we may incur losses in the future. Our new branches require a gestation period and demonstrate increasing productivity as they mature, which may create a period in which we are not able to see returns on our expenditures. For further information, see "***Management's Analysis and Discussion of Financial Condition and Results of Operations***" on page 130. We may not generate sufficient revenue for various reasons, including increasing competition, challenging macro-economic environment, the ramifications of events such as pandemics, as well as other risks discussed elsewhere in this Preliminary Placement Document. Further, our failure to achieve or maintain profitability may adversely affect the market price of the Equity Shares, restrict our cash flows and ability to pay dividends and impair our ability to raise capital and expand our business.

19. We have experienced negative cash flows in the past. Negative cash flows in the future could adversely affect our cash flow requirements, our ability to operate our business and implement our growth plans, thereby affecting our financial performance.

We have in the past, and may in the future, experience negative operating cash flows. The following table sets forth certain information relating to our cash flows on a consolidated basis for the periods/ years indicated under Ind AS:

(*in ₹ lakhs, unless otherwise specified*)

Particulars	**For the year ended**			**For the six-month period ended**	
	March 31, 2021	**March 31, 2022**	**March 31, 2023**	**September 30, 2022**	**September 30, 2023**
Net cash flow	(94,489.81)	33,616.57	(95,634.09)	(17,238.04)	(105,982.72)

Particulars	For the year ended			For the six-month period ended	
	March 31, 2021	March 31, 2022	March 31, 2023	September 30, 2022	September 30, 2023
generated from / (used) in operating activities					
Net cashflow generated / (used) in operating activities excluding 'change in working capital'	21,977.31	21,830.88	22,484.18	9107.46	22276.14

As demonstrated above, we experienced negative cash flows due to the higher requirement of working capital. The increase in working capital was on account of increase in the volume of disbursements in line with our business requirements. In Fiscal 2021, our profit before tax was low, reflecting to an extent the impact of the COVID-19 pandemic, which led to lower collections. At the same time, the volume of disbursements led to negative operating cash flows. Negative cash flows over extended periods, or significant negative cash flows in the short term, could materially impact our ability to operate our business and implement our growth plans. We may face a shortfall of capital in future as a result of negative cash flows and there can be no assurance that we will be able to raise adequate capital in future. As a result, our cash flows, business, future financial performance and results of operations could be materially and adversely affected. For further information, see "***Management's Discussion and Analysis of Financial Condition and Results of Operations – Cash Flows***" on page 164 respectively.

20. We have contingent liabilities, and our financial condition could be adversely affected if any of these contingent liabilities materialise

The following table sets forth our Company's contingent liabilities as per Ind AS 37 as of September 30, 2023:

Particulars	Amount (in ₹ lakhs)
Income tax order for assessment year 2018-19 in respect of which our Company has gone on appeal	64.96
Income tax notice for assessment year 2020-21 with respect to which our Company has filed an appeal	67.35
Income tax order, issued for the assessment year 2021-22, with respect to which our Company has filed an appeal.	93.68
Undrawn exposure towards borrowers	3,200.17
Total	**3,426.16**

We cannot assure you that we will not incur similar or increased levels of contingent liabilities in the future. If any of these contingent liabilities materialise, our financial condition and results of operation may be adversely affected.

21. We face asset-liability mismatches which could affect our liquidity and consequently may adversely affect our operations, profitability and/ or cash flows.

We face potential liquidity risks because our assets and liabilities mature over different periods. For further details in relation to liquidity risks, see "***Management's Discussion and Analysis of Financial Condition and Results of Operations – Quantitative and Qualitative Disclosure of Market Risks –Liquidity Risk***" on page 170. While we believe that our cash flow from operations, available cash and borrowings will be adequate to meet our future liquidity needs, we cannot assure you that our businesses will generate sufficient cash flow from operations such that our anticipated revenue growth will be realized or that future borrowings will be available to us under credit facilities in amounts sufficient to enable us to repay our existing indebtedness, fund our expansion efforts or fund our other liquidity needs. Asset and liability mismatch, which represents a situation when the financial terms of an institution's assets and liabilities do not match, is a key financial parameter for us. We carefully monitor the contractual maturity periods of our assets and liabilities and categorize them on the basis of the number of years in which they mature.

Asset liability mismatches create liquidity surplus or liquidity crunch situations and depending upon the interest rate movement, such situations may adversely affect net interest margin. The Reserve Bank of India has thereby, vide the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, stipulated that the net cumulative negative mismatches in in the maturity buckets 1-7 days, 8-14 days, and 15-30 days should not exceed 10%, 10% and 20% of the cumulative cash outflows in the respective time buckets. While our Company has not breached the prescribed requirement for the negative asset liability mismatch in the past, our inability to obtain and/ or maintain additional credit facilities or renew our existing credit facilities, in a timely and cost-effective manner or at all, may lead to mismatches between our assets and liabilities, which in turn may adversely affect our operations and financial performance.

22. We are exposed to foreign currency exchange rate fluctuations, which may adversely affect our results of operations and cause our quarterly results to fluctuate significantly

We face foreign exchange risk to the extent that our assets or liabilities are denominated in a currency other than the Indian Rupee. Although our functional currency is, and we report our consolidated accounts, in Indian Rupees, we incur some amount of non-Rupee indebtedness in the form of external commercial borrowings, which creates foreign currency exposure in respect of our cash flows and ability to service such debt. As of September 30, 2023, our total non-Rupee indebtedness was ₹ 66,965.37 lakhs as compared to our total Rupee indebtedness of ₹ 549,412.71 lakhs.

We may be affected by fluctuations in the exchange rates between the Indian rupee and other currencies. In the recent past, the Rupee has depreciated significantly when compared to the U.S. dollar. If such depreciation continues in the future, it will increase our Rupee cost of servicing and repaying foreign currency borrowings and costs. We cannot predict the effects of exchange rate fluctuations upon our future operating results because of the variability of currency exposure and the potential volatility of currency exchange rates. Therefore, changes in the exchange rate between the Rupee and the U.S. dollar and other non-Rupee currencies may have an adverse effect on our income which in turn may adversely affect our business, results of operations and financial condition.

Further, while we seek to partly hedge our foreign currency risk by monitoring the non-rupee cash flows and entering into cross currency swaps, derivative and forward exchange contracts, any steps undertaken to hedge the risks on account of fluctuations in currencies may not adequately hedge against any losses we incur due to such fluctuations. Set forth are the details of our net foreign exchange gain/(loss) in the corresponding periods.

(in ₹ lakhs, unless otherwise specified)

Particulars	**For the year ended**			**For the six month period ended**	
	March 31, 2021	**March 31, 2022**	**March 31, 2023**	**September 30, 2022**	**September 30, 2023**
Exchange fluctuation (gain)/loss (unrealized)	(381.17)	367.92	519.90	498.49	434.73

For further information on our exchange rate risk management, see "***Management's Discussion and Analysis of Financial Condition and Results of Operations –Qualitative and Quantitative Disclosures about Marker Risk– Foreign Currency Risk***" on page 170. We cannot guarantee that we will not experience losses, on account of fluctuations in currencies going forward, and such losses may have an adverse effect on our business, results of operations and financial condition.

23. Our auditors have referred to certain emphasis of matters in their reports on the Audited Financial Statements.

Our Previous Statutory Auditors and our Statutory Auditors have referred to certain emphasis of matters in their report on the Audited Consolidated Statements and Audited Standalone Statements for Fiscals 2021, 2022 and 2023 respectively:

Fiscal 2021

"*We draw attention to Note 54 to the accompanying consolidated financial statements, which describes significant uncertainties due to the outbreak of COVID-19 pandemic. The impact of the pandemic on the operations of the Company and its financial position as at 31 March 2021 including the measurement of expected credit losses on the loan assets are significantly dependent on uncertain future economic conditions. Our opinion is not modified in respect of this matter.*"

Fiscal 2022

"We draw attention to Note 53 to the accompanying consolidated financial statements, which describes significant uncertainties due to the outbreak of COVID-19 pandemic. The impact of the pandemic on the operations of the Company and its financial position as at March 31, 2022 including the measurement of expected credit losses on the loan assets are significantly dependent on uncertain future economic conditions. Our opinion is not modified in respect of this matter."

Fiscal 2023

*"**Matter related to subsidiary Company – Satin Finserv Limited (SFL)***

We draw attention to Note no. 54 to the consolidated financial statements which explain that, during the year, Taraashna Financial Services Limited (i.e. "TFSL") (amalgamating entity) was amalgamated with Satin Finserv Limited vide Hon'ble NCLT Order dated January 31, 2023. The scheme got effective from March 01, 2023. The Appointed Date of Scheme is April 01, 2021. By the effect of Appointed Date (i.e., April 01, 2021), the financial numbers of SFL for the financial year ended March 31, 2022, are also restated due to amalgamation of the merged entity i.e. TFSL with the SFL.

We further draw attention to Note No 54 to the consolidated financial statements which explains that due to the amalgamation of the amalgamating entity with the SFL, which is registered as a Non-Banking Financial Company (NBFC), as on March 31, 2023, SFL is not fulfilling Principal Business Criteria laid down by the RBI. As per the criteria, at least 50% of total assets of the SFL should be financial assets and at least 50% of the gross income should be from financial activities. SFL meets the first criteria but does not meet the second criteria as on March 31,2023. However, the RBI vide letter dated July 22,2022, has granted time to SFL till March 31, 2024, for fulfilling the said criteria."

Our Previous Statutory Auditor and our Statutory Auditor's opinion was not modified in respect of these matters. For further details, please see- "***Financial Information***" on page 302.

There can be no assurance that any similar emphasis of matters will not form part of our financial statements for the future fiscal periods, which could subject us to additional liabilities due to which our reputation and financial condition may be adversely affected.

24. We may enter into related party transactions in the ordinary course of our business and may continue to do so in future. There may be conflicts of interest associated with such transactions and there can be no assurance that such transactions will not have an adverse effect on our results of operation and financial conditions

We have entered into related party transactions in the three preceding Fiscals and the six months ended September 30, 2023, each of which have been undertaken on an arms' length basis and have been approved by our Audit Committee, Board, Shareholders, or as and when required by law. We may also, from time to time, enter into related party transactions in the future. To the extent we may extend loans or advances to related parties, provide guarantees or security, enter into contracts envisaging delivery of services, we may face risks in relation to default by such related parties or potential non-recovery or non-performance of contractual obligations. Set forth below are details of our related party transactions for the corresponding periods:

(*in ₹ lakhs, unless otherwise specified*)

Particulars	For the financial year ended March 31	For the six-month period ended September 30

	2021		2022		2023		2022		2023	
	RPT	**RPT as a % of total income**	**RPT**	**RPT as a % of total income**	**RPT**	**RPT as a % of total income**	**RPT**	**RPT as a % of total income**	**RPT**	**RPT as a % of total income**
Sitting Fee (A)	35.45	0.03%	37.20	0.03%	29.40	0.02%	11.70	0.02%	17.00	0.02%
Remuneration (B)	612.70	0.44%	707.43	0.51%	738.58	0.47%	371.35	0.53%	386.05	0.39%
Others (C)#	427.21	0.31%	132.78	0.10%	112.33	0.07%	56.21	0.08%	55.94	0.06%
Sub-Total (D=A+B+C)	1,075.36	0.78%	877.41	0.64%	880.31	0.56%	439.29	0.62%	458.99	0.46%
Guarantees* (E)	1,87,405.55	135.78%	1,51,198.07	109.49%	1,38,016.93	88.53%	1,16,985.36	165.71%	235169.11	235.79%
Total RPT (F=D+E)	1,88,480.91	136.56%	1,52,075.48	110.13%	1,38,897.24	89.09%	1,17,424.65	166.33%	2,35,628.10	236.25%

**Represents the outstanding personal/joint guarantees*

#Includes interest income, inter-corporate loans given and received, purchase of plant, property and equipment, repayment of security deposit and rent received.

Such related party transactions in the future or any other future transactions may potentially involve conflicts of interest which may be detrimental to the interest of our Company and we cannot assure you that such transactions, individually or in the aggregate, will always be in the best interests of our minority shareholders and will not have an adverse effect on our business, financial condition, results of operations, cash flows and prospects.

25. We have availed unsecured loans which can be recalled by lenders at any time.

We have availed unsecured loans, the outstanding amount of which is ₹ 23,950.91 lakhs, or 3.89% of our total borrowings as of September 30, 2023, which may be recalled by our lenders on demand. We have availed external commercial borrowings amounting to ₹ 12,373.55 lakhs and commercial paper amounting to ₹ 9,874.38 lakhs in the six-month period ended September 30, 2023. In such cases, the lenders may require repayment of the facility at any point in time during the loan tenure. While no loans have been recalled in the three preceding Fiscals and the six months ended September 30, 2023, in case any such unsecured loans are recalled on demand by our lenders and we are unable to repay the outstanding amounts under the facilities at that point, it would constitute an event of default under the respective loan agreements. For further information, see "***Financial Information- Unaudited Interim Condensed Consolidated financial statements for the half year ended September 30, 2023- Note 7- Borrowings***" on page 860.

26. Any deterioration in the performance of any pool of receivables securitized to banks and other institutions may adversely impact our results of operations.

We securitize a portion of our receivables from our loan portfolio to banks and other financial institutions to obtain funding and diversify our portfolio risk. Such securitization is undertaken by us on the basis of our internal estimates of funding requirements and availability of other sources of funds, and may vary from time to time. Set forth below are details of our book value of loans securitized and our direct assignment portfolio without any recourse with banks and financial institutions, as of the corresponding periods, on a standalone basis:

Particulars	**As of March 31,**			**As of September 30,**	
	2021	**2022**	**2023**	**2022**	**2023**
Book value of loans securitized (₹ lakhs)	7,187.99	54,457.68	1,30,634.82	95,844.43	1,42,025.10
Book value of loans securitized as a percentage of total assets	0.91%	7.38%	17.09%	13.08%	15.54%
Direct assignment portfolio (₹ lakhs)	1,35,921.00	1,20,441.72	2,25,770.51	1,38,962.34	2,29,476.89
Direct assignment portfolio as a percentage of total assets (%)	17.26%	16.33%	29.53%	18.96%	25.11%

Any change in regulations framed by RBI or other regulators in relation to securitizations by NBFCs could have an adverse impact on our securitization program. In the event the bank or financial institution with whom we have securitized our receivables does not realize the receivables due under loans that have been securitized, the relevant bank or financial institution could enforce the underlying credit enhancements provided by our Company. Should such banks or financial institutions seek to enforce the underlying credit enhancements, it could have an adverse effect on our results of operations.

Further, any deterioration in the performance of any batch of receivables assigned to banks could adversely affect our credibility and hence our ability to conduct further securitizations. We may also be named as a co-plaintiff in legal proceedings initiated by an assignee in relation to the securitized assets. While there have been no material instances in the three preceding Fiscals, if a substantial portion of our securitized or assigned loans suffer a deterioration in their performance, it could have an adverse effect on our financial condition and results of operations.

OTHER RISKS

27. Negative publicity or failure to maintain our image could damage our reputation and have a material adverse effect on our business, financial condition and results of operations.

We believe that the reputation of our brand among our customers has contributed significantly to the growth and success of our business. Maintaining and enhancing the recognition and reputation of our products is, therefore, critical to our business and competitiveness.

We provide loans to women, belonging to low-income groups primarily in rural areas. Our business operations are based on the joint liability group model, wherein we rely primarily on non-traditional guarantee mechanisms. As a result of our business model of providing financial services at the villages of our borrowers, our operating expenses, particularly, finance, employee, travel and rent costs are quite high. High operating costs along with provisions for higher credit cost as well as our cost of financing, may result in higher interest rates being charged to our borrowers, in comparison to the interest rates generally charged by lenders on loans extended to banked borrowers. This, along with our business model, therefore, continues to be the subject of evaluation, comparison and analysis. Perception of our business and business model, including, among others, by social and political workers or disgruntled former stakeholders, could harm our reputation.

While there have been no instances in the three preceding Fiscals and the six months ended September 30, 2023, large negative incidents or adverse publicity could rapidly erode borrower trust and confidence in us, particularly if such incidents attract regulatory investigations. Negative publicity can result from our own or our third-party service providers' actual or alleged conduct, and actions taken by government regulators in response to that conduct. Any disagreements among members of our Board, if these become public knowledge, may lead to adverse publicity. The dissemination of inaccurate information online could harm our business, reputation, prospects, financial condition, and operating results, regardless of the information's accuracy. Such unverifiable or false information regarding us may be published online or on social media by third parties, or any other such damage to our brand or our reputation may result in withdrawal of business by our existing customers and loss of new business from potential customers, could increase our costs, lead to litigation or result in negative publicity that could damage our reputation and adversely affect our business, results of operations and financial conditions.

28. An inability to manage our growth or our proposed expansion activities, including new financial products or businesses, could disrupt our business and reduce our profitability.

We intend to expand our reach and operations in the states where we are currently present, both by increasing our business transacted through existing branches/Centres (a group of 8-32 borrowers) and opening new branches/Centres. As of September 30, 2023, we have 1,335 branches and 3.00 lakh Centres.

In addition to increasing the size and scale of our operations in states where we are already present, we intend to also focus on expanding our business operations to new geographies. For further details, see- "***Our Business- Strategies- Deepen, expand and continue to profitably grow our microfinance business through geographical diversification and increased penetration in the states in which we operate***" on page 227. Set forth below are details of our branches, borrowers, and AUM, reflecting our recent growth:

Particulars	As of the financial year ended March 31			CAGR (Fiscal 2021-Fiscal 2023)	As of the six month period ended September 30	
	2021	2022	2023		2022	2023
Number of branches	1,266	1,232	1,286	0.79%	1,244	1,335
-Exclusive Microfinance Loan branches	1,237	1,195	1,234	(0.12)%	1,203	1,269
-Exclusive Housing Finance Loan branches	14	21	30	46.39%	24	37
-Exclusive MSME loan branches	15	16	22	21.11%	17	29
Number of Active Customers (in lakhs)	30.51	28.12	28.34	(3.63)%	26.81	32.14
AUM (in ₹ crores)	8,378.57	7,617.23	9,115.40	4.30%	7,575.35	10,099.84

While we have not faced any issue in our growth strategy in the past, due to our comprehensive operations methodology which includes a detailed standard operating procedure for branch selection. We cannot assure you that our growth strategy will continue to be successful or that we will be able to continue to grow further, at the same rate, or at all. We may need to change the composition of our AUM, which may impact our profitability, our asset-liability maturity profile and NPA levels. Further, we may introduce products that may have lower Net Interest Margins or profitability.

As we grow our business in newer geographies, including rural and more remote areas, we may face difficulties such as lack of infrastructure in terms of connectivity, increased competition, different culture, regulatory and taxation regimes, business practices, customs, behavior and preferences, and our current experience may not be applicable to new markets. In addition, we will need to enhance and upgrade our financial, accounting, information technology, administrative, supervisory mechanisms, risk management and operational infrastructure and internal capabilities to manage such growth of our business, which involves significant capital investment.

We may also face heightened security risks, and face instances of fraud and theft. For further information, see- "***-Our operations involve handling cash in high volumes through a dispersed network of branches which makes us susceptible to operational risks including, misappropriation or fraud by our employees, which may adversely affect our business, operations and ability to recruit and retain employees***." on page 83. We may not be able to maintain our historical growth rates, the level of our NPAs or the quality of our portfolio. Further, external factors beyond our control could also affect our ability to grow our business and loan portfolio, such as demand for our loans, domestic economic growth, the RBI's monetary and regulatory policies, inflation, competition and availability of cost-effective debt capital. Our inability to expand our current operations or the sub-optimal performance of our existing/ new branches may adversely affect our business, financial condition, results of operations and cash flows.

29. COVID-19 has had, and any future outbreak of a pandemic could have, certain adverse effects on our business, operations, cash flows and financial condition.

The COVID-19 pandemic, or a similar outbreak, may affect our business, results of operations, cash flows and financial condition in a number of ways such as: (i) grant of a six month moratorium to all borrowers who were less than or equal to 90 days past due as of February 28, 2020, in respect of instalments falling due between March 1, 2020 and August 31, 2020 in accordance with the RBI circulars dated March 27, 2020 and May 23, 2020; and (ii) increase in the level of gross loans write-offs from ₹ 13,857.68 lakhs in Fiscal 2021 to ₹ 12,297.93 lakhs in Fiscal 2022 and which subsequently improved to ₹

63,587.12 lakhs in Fiscal 2023. Further, we lost a few key employees during the pandemic and the shift to work-from-home due to the government imposed lockdown curtailed our operations.

Similar outbreaks could lead to increased vulnerability to our business and operations. Such events may adversely affect overall business sentiment, as well as our business, results of operations, cash flows and financial condition. They may also limit our ability to procure capital from banks and financial institutions. Increase in cyber-security threats and potential breaches, including phishing attacks, malware and impersonation tactics, resulting from the increase in numbers of individuals working from home, potential negative impact on the health and safety of our personnel, affect our ability to procure capital from banks and financial institutions.

30. Our Promoters, certain of our Directors, Key Managerial Personnel and members of our Senior Management may be interested in us other than in terms of remuneration and reimbursement of expenses, and this may result in conflict of interest with us.

Our Promoters, certain of our Directors, Key Managerial Personnel and members of our Senior Management are interested in us, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding, direct and indirect, and our stock options and benefits arising therefrom. Our Promoters are also interested in us to the extent of their shareholding in us and any benefits arising therefrom. We cannot assure you that our Promoters, certain of our Directors, Key Managerial Personnel and members of our Senior Management will exercise their rights as shareholders to our benefit and best interest. Further our Promoters and Promoter Group hold Equity Shares in our Company and are therefore interested in our Company's performance in addition to their remuneration and reimbursement of expenses which also allows them to exercise significant influence over us. For further details, see "***Board of Director and Senior Management***" on page 239.

31. We operate in a highly competitive market and face competition from the organized and unorganized sector across as well as from state-sponsored social programs, which could adversely affect our business prospects and financial performance.

The financial services market for our products is being served by a range of financial entities selectively or across all products, including by MFIs, traditional National Banking institutions, captive finance affiliates of players in various industries, NBFCs and small finance banks approved by RBI to enhance credit penetration. Many of these competitors may have greater financial resources, may be larger in terms of business volume and may have lower cost of funds compared to us. Many of them may also have greater geographical reach, longstanding partnerships and may offer their borrowers multiple forms of financing with differential interest rates or higher ticket sizes that we may not be able to provide, or have better brand recognition and larger borrower bases. In addition, we compete with informal sources of lending for microfinance loans, including moneylenders, landlords, local shopkeepers and traders.

As a result of this competition, while products in the MFI industry have gradually standardized, but the interest rate, payment terms and processing fee vary from lender to lender. Our ability to compete effectively will depend, to an extent, on our ability to raise low-cost funding in the future as well as our ability to maintain or decrease our operating expenses by increasing operational efficiencies and managing credit costs. There can be no assurance that we will be able to effectively address these industry trends or compete effectively with new and existing NBFCs and other financial intermediaries that operate in similar segments. An inability to effectively address such competition may adversely affect our market share, goodwill, business prospects, results of operations and financial condition.

Further, the government of India has launched various schemes to revolutionize the traditional banking system and to provide banking opportunity to the poor. For instance, the Pradhan Mantri Jan Dhan Yojna launched in 2014 is aimed to help the poor become financially stable by encouraging them to open zero balance bank accounts. The accountholders under this scheme are also allowed to avail an overdraft facility of ₹ 5,000 after six months of opening the account and are provided with insurance cover of ₹ 30,000 subject to compliance with certain conditions of the scheme.

Similar initiative have been undertaken by the government in past, including 'Swabhimaan', which enables small and marginal farmers to obtain credit at lower rates from banks and other financial institutions and Support to Training and Employment Programme for Women (STEP) Scheme, which is aimed at providing skill and financial assistance that enables women to become self-employed/entrepreneurs. Due to extensive awareness and implementation activities undertaken by the government and more economical financing products of the government, our target clients may have better access and may prefer participation in such schemes over our financial products which may negatively impact our business and result of operations. Further, the ability of financial institutions participating in government schemes to provide lower cost financial assistance under these schemes as a result of funding provided by the government may adversely affect our business, results of operations and financial condition.

32. Any failure or significant weakness of our internal processes or systems could cause operational errors or incidents of fraud, which would adversely affect our business, profitability and reputation.

Our internal audit functions make an evaluation of the adequacy and effectiveness of our internal risk management, control and governance processes. Our Company has a team of 85 internal auditors, as of September 30, 2023, on a standalone basis, which works at the field level and functionally reports to our Chief Internal Audit Officer, and operationally to our Chief Audit Officer, who subsequently reports to our Chairman cum Managing Director.

Our Company's branches are broadly audited at least once every three months with the reports being sent to the managers who have a direct responsibility for the unit/function being audited. Our Senior Management and Audit Committee is informed of the significant audit findings on a quarterly basis. While we periodically test and update our internal processes and systems, we are exposed to operational risks arising from the potential inadequacy or failure of internal processes or systems and our actions may not be sufficient to ensure effective internal checks and balances in all circumstances.

Our internal audit system and internal control procedures may not identify every instance of non-compliance or every suspicious transaction. For instance, while our Company has formulated a code of conduct for regulating, monitoring and reporting of trading by Designated Persons ("**Code**"), there have been certain instances whereby the employees of our Company and subsidiaries have transacted in our Equity Shares, in violation of the Code. While the Company has taken and is in the process of taking appropriate steps to address such violations, we cannot assure you that any violation will not take place in the future, or that we will be able to take the appropriate actions, or any action at all, to effectively address such violation. Any future violations of the Code may adversely impact our reputation. The aforementioned violation may also result in a decline in the trading price of the Equity Shares and you may lose all or part of your investment.

Further, if any other internal system or process weaknesses are identified in the future, our actions may not be sufficient to identify the root cause and correct such weakness. Owing to our volume of transactions and wide geographic presence, there may be lapses in timely completion of internal audit as per the schedule. It is possible that errors may repeat or compound before they are discovered and rectified. Failures or material errors in our internal systems may lead to events such as inaccurate financial reporting, fraud and failure of critical systems and infrastructure. For further information, see "- ***Our operations involve handling cash in high volumes through a dispersed network of branches which makes us susceptible to operational risks including, misappropriation or fraud by our employees, which may adversely affect our business, operations and ability to recruit and retain employees***." on page 83.

33. ***Our insurance coverage may not be sufficient or may not adequately protect us against all material hazards, which may adversely affect our business, results of operations, cash flows and financial condition***.

Our operations are subject to various risks inherent to the finance industry, as well as fraud, theft, robbery, acts of terrorism and other force majeure events. Our insurance policies may not provide adequate coverage in certain circumstances, such as credit loss, loss of profit and are subject to certain deductibles, exclusions and limits on coverage. Set forth below are details of our insurance coverage, as of the corresponding dates:

(*in ₹ lakhs, unless otherwise specified*)

Particulars	As of March 31			As of September 30	
	2021	2022	2023	2022	2023
Insured Assets (Carrying value -added for different risks arithmetically)	6,585.35	7,745.93	8,058.23	8,043.81	8,966.79
Percentage of our total assets (excluding Goodwill, Building-right	52.29%	60.14%	63.75%	65.26%	75.11%

of use assets, Intangible assets & financial assets)					

We cannot assure you that the terms of our insurance policies will be adequate to cover any damage or loss suffered by us or that such coverage will continue to be available on reasonable terms or will be available in sufficient amounts to cover one or more large claims, or that the insurer will not disclaim coverage as to any future claim. While we have not faced such an instance in the past, a successful assertion of one or more large claims against us that exceeds our available insurance coverage or changes in our insurance policies, including premium increases or the imposition of a larger deductible or coinsurance requirement, could adversely affect our business, financial condition, results of operations and cash flows.

34. We may not be able to identify, monitor and manage risks or effectively implement our risk management policies, which could adversely affect our business, financial condition and results of operations.

The effectiveness of our risk management is affected by the quality and timeliness of available data. We have devoted significant resources to develop and implement our risk management policies and procedures based on checks and balances required to manage various risks and intend to continue doing so in the future. However, there may be human errors in assessing the right data at the right time in order to develop or modify appropriate risk management policies and procedures. We have policies and procedures in place to measure, manage and control the various risks to which we are exposed, which include our asset management policy, credit policy, whistle blower and vigilance mechanism, fair practices code, grievance redressal policy, internal guidelines on corporate governance, investment policy, risk management policy, IT policies and procedures, and KYC and anti-money laundering policy. Our Board of Directors and various Board Committees, including the Risk Management Committee, review our internal policies and procedures, including our risk management policies from time to time. We also depend on our information technology systems to assist us with our risk management functions, and carry out periodic audits on our security system to identify risk areas.

In the past, our IT audit report has noted lapses such as weakly enforced security controls. In addition, our policies and procedures to identify, monitor and manage risks may not be fully effective. Some of our risk management processes may not be automated and subject to human error, such as the process required to assess an applicant's income, expenses and other payment obligations. Some of our methods of managing risks are based on the use of observed historical market behaviour and may not accurately predict future risk exposures, which could be significantly greater than those indicated by the historical measures.

In addition, as we seek to expand the scope of our operations, we also face the risk of inability to develop commensurate risk management policies and procedures. Other risk management methods depend upon an evaluation of information regarding the markets we operate in, the borrowers we service and certain other matters, which may not be accurate, complete, up-to-date or properly evaluated in all cases. Our earnings are dependent upon the effectiveness of our management of changes in asset quality and risk concentrations, the accuracy of our underwriting, evaluation models and our critical accounting estimates and the adequacy of our allowances for loan losses. To the extent our assessments, assumptions or estimates prove inaccurate or not predictive of actual results, we could suffer higher than anticipated losses.

35. Any downgrade in our Company's credit ratings could increase our borrowing costs, affect our ability to obtain financing, and adversely affect our business, results of operations, cash flows and financial condition.

The cost and availability of capital depends in part on our short-term and long-term credit ratings. Set forth below are details of our Company's credit ratings in the three preceding Fiscals:

Instrument	Rating		
	As of March 31		
	2021	2022	2023
Non Convertible Debentures	CARE A-; Stable, [ICRA]A- (Stable), IND A- Positive Outlook	CARE A-; Negative, [ICRA]A- (Negative), BWR A- / Negative	CARE BBB+; Stable, ICRA A- (Negative)
Commercial paper	CARE A1,[ICRA] A1	CARE A1, [ICRA] A1	ICRA A1
Subordinate debt	[ICRA]A- (Stable)	[ICRA]A- (Negative)	ICRA A- (Negative), CARE BBB+; Stable

Long-term Fund-based Term Loan Facilities Program	-	[ICRA]A(CE) (Stable)	ICRA A (CE); Stable

As set forth above, there have been certain instances of downgrading in the past three fiscals. For instance, on August 26, 2022, CARE Ratings Limited downgraded our Company's credit rating from "CARE A-; negative" to "CARE BBB+ stable" on account of the delayed recovery in the stressed portfolio from Assam and increase in concentration of exposure to top 20 borrowers, which led to an increase in our total borrowings from ₹ 5,53,377.54 lakhs for the six month period ended September 30, 2022 to ₹ 7,28,286.94 lakhs for the six month period ended September 30, 2023. Any further downgrade in our Company's credit ratings in the future could also increase borrowing costs or even result in an event of default under certain of our financing arrangements and adversely affect our access to both domestic and international capital and debt markets, which could in turn adversely affect our interest margins, cash flows and our business. In addition, any downgrade in our credit ratings could result in a recall of existing facilities, increase the probability that our lenders impose additional terms and conditions to any financing or refinancing arrangements we enter into in the future and impair our ability to raise new capital on a competitive basis, which may adversely affect our business, results of operations, cash flows and financial condition.

36. Industry information included in this Preliminary Placement Document has been derived from an industry report prepared by CRISIL and exclusively commissioned and paid for by us for such purpose

Certain information regarding the industry and the market in which our Company operates, included in this Preliminary Placement Document has been derived from the report titled "*Analysis of Microfinance Industry in India*" dated November, 2023 **("CRISIL Report")** prepared by CRISIL appointed and exclusively commissioned by our Company pursuant to letter dated November 3, 2023 at an agreed fees to be paid by our Company.

The report is a paid report, and exclusively commissioned for the purposes of the Issue, and is subject to various limitations and based upon certain assumptions, parameters and conditions that are subjective in nature. It also uses certain methodologies for market sizing and forecasting which may or may not be accurate.

Industry sources and publications are also prepared based on information as of specific dates. Further, there is no assurance that such information has been compiled or presented on the same basis as may be presented elsewhere. In addition, statements from third parties that involve estimates, projections, forecasts and assumptions are subject to change, and actual amounts may differ materially from those included in this Preliminary Placement Document. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon.

Investors should consult their own advisors and undertake an independent assessment of information in this Preliminary Placement Document based on, or derived from, the CRISIL Report before making any investment decision regarding the Issue.

37. We have entered into certain financial arrangements which may potentially involve conflicts of interest pertaining to the Book Running Lead Manager on the proposed transaction being JM Financial Limited.

In the ordinary course of our business, we have entered into certain financial arrangements and borrowings with JM Financial Products Limited and JM Financials Credit Solutions Limited, affiliates of our BRLM, JM Financial Limited. The loans sanctioned to our Company by JM Financial Limited and JM Financial Products Limited were done as part of their lending activities in the ordinary course of business and we do not believe that there is any conflict of interest under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended, or any other applicable SEBI rules or regulations. Our Board of Directors may choose to repay these loans and facilities based on commercial considerations.

However, there can be no assurance that such subsisting financial arrangements will not be perceived as a current or potential conflict of interest.

38. As of the date of this Preliminary Placement Document, our application for trademark of our name and logo remains pending. We may be unable to adequately protect our intellectual property and may be subject to risks of infringement claims.

As of the date of this Preliminary Placement Document, we have applied for registration of trademark for our new logo with the Trade Marks Registry of India. We cannot assure you that such registration will be granted in a timely manner or at all. Our applications may be challenged and we may have no recourse against parties who use our name and logo till such time as these trademarks are registered. There can be no assurance that third parties will not infringe upon our intellectual property, causing damage to our business prospects, reputation, and goodwill.

While we take care to ensure that we comply with the intellectual property rights of third parties, we cannot determine with certainty whether we are infringing upon any existing third-party intellectual property rights. We cannot assure you that we will not be involved in intellectual property disputes in the future, including disputes relating to our pending trademark applications. Any intellectual property claims, with or without merit, could be very time-consuming, could be expensive to settle or litigate and could divert our management's attention and other resources. These claims could also subject us to significant liability for damages, potentially including enhanced statutory damages if we are found to have wilfully infringed intellectual property rights. While such claims by third parties have not been made to us historically, the occurrence of any of the foregoing would adversely affect our business operations and financial results.

39. We may not be able to detect money-laundering and other illegal or improper activities fully or on a timely basis, which could expose us to additional liability.

We are required to comply with applicable anti-money-laundering ("AML") and anti-terrorism laws and other regulations in India. In the ordinary course of our operations, we run the risk of failing to comply with the prescribed KYC procedures and the consequent risk of fraud and money laundering by dishonest customers and assessment of penalties or imposition of sanctions against us for such compliance failures despite having implemented systems and controls designed to prevent the occurrence of these risks. Although we believe that we have adequate internal policies, processes and controls in place to prevent and detect any AML activity and ensure KYC compliance, such as video-based customer identification process, OTP based Aadhaar e-KYC authentication, there can be no assurance that we will be able to fully control instances of any potential or attempted violation by other parties and may accordingly be subject to regulatory actions including imposition of fines and other penalties by the RBI and other relevant governmental authorities to whom we report. While we have faced instances of fraud wherein certain erstwhile employees of our Company have fabricated false loan documents and false verification reports, we have not faced any penal action from the regulatory authorities due to timely intimation of such incidents. However, there can be no assurance that any action will not be taken by the regulatory authorities in the future in case of any incidence of money laundering or fraud. If any party uses or attempts to use us for money-laundering or any other illegal or improper purposes and such attempts are not detected or reported to the appropriate authorities in compliance with applicable legal requirements, our reputation could suffer and could result in a material adverse effect on our business, financial condition and results of operations.

40. ***Some of our corporate records are not traceable. Non availability of such records may result in regulatory actions against our Company by regulatory or statutory authorities, which may have an adverse impact on our financial condition and reputation.***

We are unable to trace, basis our review of the records available with the Company and further search conducted by practising company secretary, certain corporate records in relation to our Company including copies of board and shareholders resolutions for issuance of Equity Shares by our Company. These corporate records pertain to certain allotments of Equity Shares made by our Company in the year 1994 and 1995. Further, for the purpose of disclosures included in this Preliminary Placement Document, we have relied on alternative documents in relation to the aforesaid allotments made in the year 1994 and 1995, including board resolutions for allotment of such Equity Shares, forms filed with the Registrar of Companies in relation to aforesaid allotments and the search report dated December 6, 2023, prepared by Barkha & Co., Company Secretaries, an independent practicing company secretary.

While the liability if any is not likely to be material, we cannot assure you that the above-mentioned corporate records will be available in the future, and that we will not be subject to any proceedings initiated by any regulatory or statutory authority (including the RoC) in this respect. Any actions including legal proceedings if initiated by regulatory or statutory authorities, may have an adverse effect on our financial condition or reputation.

41. All of our branches are located on leased premises. The termination of any of these leases or our inability to exercise our rights under the lease agreements may cause disruption in our operations.

All our branch offices are located on leased premises. Although we have renewed the majority of our leases in the past, our business, financial condition, and operating results could be adversely affected if we are unable to negotiate favourable lease renewal terms for our existing branches. Some of the lease deeds have expired in the ordinary course of business and we are currently involved in negotiations for the renewal of these lease and license agreements.

In case of non-renewal of our leases for our existing branches, we will be forced to procure alternative space for our existing branches. Although we procure space that satisfies the safety, operational and financial criteria for our branches, we cannot assure you that we will be able to identify such space at commercially reasonable terms or at all. Failure to identify such space can adversely affect our financial condition and results of operation. Further, any breach of the terms and conditions of these lease agreements could result in the termination of the lease agreements and force us to establish operations at another location, which may disrupt our operations temporarily. Additionally, we cannot assure you that all the lease agreements for our branches are adequately stamped and registered as per the requirements of applicable laws. Unless such documents are adequately stamped or duly registered, such documents may be rendered inadmissible as evidence in a court in India or may not be authenticated by any public officer and the same may attract penalty as prescribed under applicable law or may impact our ability to enforce these agreements legally, which may result in an adverse effect on the continuance of our operations and business.

42. ***We do not currently hold valid title in our Registered Office. If we are unable to identify or correct defects or irregularities in title to the land which we own, our business and results of operations could be adversely affected***

Our Registered Office is owned by Satin Intellicomm Limited, an erstwhile company that has been merged into and with our Company. While the Registered Office has been acquired by our Company pursuant to the amalgamation, the transfer formalities for changing the ownership are still in progress and the building is not currently held in the name of our Company. The absence of title insurance, coupled with the difficulties in verifying title to land, may increase our exposure to third party claims to the property.

While there has been no such instance in the past, we cannot assure you that we will acquire the title to our Registered Office in the future, or that we will be able to continue with the uninterrupted use of these properties, which may impair our operations and adversely affect our financial condition.

43. Our branches and our employees operating in remote areas are exposed to antisocial elements which may adversely affect our business, operations and ability to recruit and retain employees.

Since our operations are spread to remote areas, our employees involved in cash collection and transportation may be susceptible to criminal elements in such areas. While we have not faced any major challenge in the past, in the event, barring a few incidents of theft, including recent at Faridabad and Jasidih involving an aggregate amount of ₹ 10,241.00 and ₹ 92,350.00, respectively, an adverse incidence may happen in the future affecting our ability to continue our operations in such areas. In addition, if we determine that certain areas pose a significantly higher risk of crime or political strife and instability, our ability to operate in such areas may be adversely affected. We have in the past, consciously avoided setting up operations in certain remote areas as a result of high crime rate in these areas.

44. Our business is subject to seasonal volatility, which may contribute to fluctuations in our results of operations and financial condition.

Our business operations and the MFI industry may be affected by seasonal trends in the economy. We generally see higher borrowings and drawdowns by our borrowers during the third and fourth quarter of each Fiscal due to increased economic activity towards the end of the Fiscal owing to the harvest season in rural areas in India. Further, there is typically an increase in retail economic activity in India during the period from October to March, due to several holiday periods, festivals and improved weather conditions, resulting in higher volumes of business during this period. Any significant event such as unforeseen floods, earthquakes, political instabilities, epidemics or economic slowdowns during this peak season would materially and adversely affect our results of operations and growth. During these periods, we may continue to incur operating expenses, but our income from operations may be delayed or reduced.

45. Our Company may not be able to pay dividends in the future. Our ability to pay dividends in the future will depend upon regulatory stipulations, our future earnings, financial condition, cash flows, and capital expenditures and the terms of our financing arrangements.

The RBI through its circular on 'Declaration of dividends by NBFCs' dated June 24, 2021, prescribed guidelines for declaration of dividend from the profits of the Fiscal ending March 31, 2022 onwards, providing among other things, eligibility criteria on different parameters such as capital adequacy and quantum of dividend payable, including prescribed ceilings on dividend payout ratio, among others. Any dividends to be declared and paid in the future are required to be recommended by our Company's Board of Directors and approved by its Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act. Our Company's ability to pay dividends in the future will depend upon regulatory restrictions on dividend distribution, our future results of operations, financial condition, cash flows, sufficient profitability, working capital requirements and capital expenditure requirements. While we have historically declared dividend in the past, we cannot assure you that we will generate sufficient revenues to cover our operating expenses and, as such, pay dividends to our Company's shareholders in future. For further details, see "***Dividend Policy***" on page 128.

46. We may have difficulties in managing our operating expenses structure in the case of a decline in volume of disbursement and the size of our AUM.

In cases of significant reduction in new disbursements and any significant reduction in our business, we may not be able to adjust our employee numbers commensurately and reduce our employee benefits expenses in a relatively shorter period. Our employee benefits expenses derived from our Financial Statements amounted to ₹ 33,732.52 lakhs, ₹ 39,312.43 lakhs, ₹ 38,760.29 lakhs, ₹ 19,365.99 lakhs and ₹ 21,474.87 lakhs accounting for 24.44%, 28.47%, 24.86%, 27.43% and 21.53% of our total income for the fiscals 2021, 2022 and 2023 and for the six months ended September 30, 2022, and 2023, respectively. Other large components of our operating expenses include rent, legal and professional charges and travelling and conveyance expenses, which may be difficult to reduce quickly.

Further, our existing borrowers may prefer to obtain credit from our competitors over us, or we may incur additional costs on training new employees if our skilled employees decide to leave us. It may take us a longer period of time than is optimal in order to adjust our employee numbers or reduce the associated personnel costs, in the event of any significant reduction in our business. Our inability to retain sufficient flexibility in our cost structure and adjust to changing business circumstances may adversely affect our business and results of operations.

47. We have in this Preliminary Placement Document included certain non-GAAP financial measures and certain other industry measures related to our operations and financial performance. These non-GAAP measures and industry measures may vary from any standard methodology that is applicable across the financial services industry, and therefore may not be comparable with financial or industry related statistical information of similar nomenclature computed and presented by other companies.

Certain non-GAAP financial measures and certain other industry measures relating to our operations and financial performance have been included in this Preliminary Placement Document. We compute and disclose such non-GAAP financial measures and such other industry related statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of players in the Indian financial services industry, many of which provide such non-GAAP financial measures and other industry related statistical and operational information. Such non-GAAP financial measures may be different from financial measures and statistical information disclosed or followed by other NBFCs or MFIs. Such supplemental financial and operational information is therefore of limited utility as an analytical tool, and investors are cautioned against considering such information either in isolation or as a substitute for an analysis of our audited financial statements as reported under applicable accounting standards disclosed elsewhere in this Preliminary Placement Document.

These non-GAAP financial measures and such other industry related statistical and other information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and industry related statistical information of similar nomenclature that may be computed and presented by other companies. For further details, see "***Presentation of Financial and Other Information-Non-GAAP Financial Measures***" on page 13.

48. Significant differences exist between Ind AS used to prepare our financial information and other accounting principles, such as U.S. GAAP and IFRS, which investors may be more familiar with and may consider material to their assessment of our financial condition.

The Audited Financial Statements and the Unaudited Interim Condensed Financial Statements included in this Preliminary Placement Document have been prepared and presented in conformity with Ind AS, which differs in certain significant respects from IFRS, U.S. GAAP and other accounting principles with which prospective investors may be familiar in other countries. We have not attempted to quantify the impact of U.S. GAAP or IFRS on the financial data included in this Preliminary Placement Document, nor do we provide a reconciliation of our financial statements to those of U.S. GAAP or IFRS. U.S. GAAP and IFRS differ in significant respects from Ind AS. Accordingly, the degree to which the Ind AS financial statements, included in this Preliminary Placement Document will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. If our financial statements were to be prepared in accordance with such other accounting principles, our results of operations, cash flows and financial position may be substantially different. Prospective investors should review the accounting policies applied in the preparation of our financial statements and consult their own professional advisers for an understanding of the differences between these accounting principles and those with which they may be more familiar. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Preliminary Placement Document should be limited accordingly.

49. The objects of the Issue have not been appraised by any bank or financial institution. Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and may be subject to change based on various factors, some of which are beyond our control.

We intend to use the Net Proceeds of the Issue for the purpose of augmenting the capital base of our Company, to meet the funding requirement of our business for onward lending by way of microfinance loans in accordance with the applicable laws and to improve and maintain the enhanced regulatory capital requirements in line with the growth objectives of our business as described in "***Use of Proceeds***" on page 117.

Our funding requirements and deployment of the Net Proceeds are based on internal management estimates and current market conditions and have not been appraised by any bank or financial institution or other independent agency. It is subject to amendment due to changes in external circumstances, costs, other financial condition or business strategies. We operate in a highly competitive and dynamic industry and may need to revise our estimates from time to time based on changes in external circumstances or costs, or changes in other financial conditions, business or strategy. This may entail rescheduling, revising or cancelling planned expenditure and funding requirements at our discretion. In case of increase in actual expenses or shortfall in requisite funds, additional funds for a particular activity will be met by any means available to us, including internal accruals and additional equity and/or debt arrangements, and may have an adverse impact on our business, financial condition, results of operations and cash flows.

We have appointed a monitoring agency for monitoring the utilization of Net Proceeds in accordance with Regulation 173A of the SEBI ICDR Regulations and the monitoring agency will submit its report to us on a quarterly basis in accordance with the SEBI ICDR Regulations. Further, the application of the Net Proceeds in our business may not lead to an increase in the value of your investment. Additionally, various risks and uncertainties, including those set forth in this "Risk Factors" section, may limit or delay our efforts to use the Net Proceeds to achieve profitable growth.

EXTERNAL RISKS

RISKS RELATED TO INDIA

50. We are subject to regulatory, economic, and social and political uncertainties and other factors beyond our control.

We are incorporated in India, and we conduct our corporate affairs and our business in India. Our equity shares are listed on BSE and the NSE. Consequently, our business, operations, financial performance and the market price of our equity shares will be affected by the following external risks, should any of them materialize:

- any exchange rate fluctuations, the imposition of currency controls and restrictions on the right to convert or repatriate currency or export assets;

- macroeconomic factors and central bank regulation, including in relation to interest rates movements which may in turn adversely impact our access to capital and increase our borrowing costs;
- prevailing income conditions among Indian customers and Indian corporations
- decline in India's foreign exchange reserves which may affect liquidity in the Indian economy;
- political instability, resulting from a change in government or in economic and fiscal policies;
- changes in government policies, including taxation policies, social and civil unrest and other political, social and economic developments in or affecting India;
- difficulty in developing any necessary partnerships with local businesses on commercially acceptable terms and/or on a timely basis.

The Government of India has exercised and continues to exercise significant influence over many aspects of the Indian economy. Indian governments have generally pursued policies of economic liberalization and financial sector reforms, including by relaxing restrictions on the private sector. Nevertheless, the role of the Indian central and state governments in the Indian economy as producers, consumers and regulators has remained significant and we cannot assure you that such liberalization policies will continue. A significant change in India's policy of economic liberalization and deregulation or any social or political uncertainties could adversely affect our business, results of operations, cash flows and financial condition and the price of the Equity Shares.

51. Natural or man-made disasters, fires, epidemics, pandemics, acts of war, terrorist attacks, civil unrest and other events could materially and adversely affect our business.

Natural disasters (such as cyclones, drought, typhoons, flooding, storms, tsunamis, tornadoes, fires, explosions, and/or earthquakes), epidemics, pandemics and man-made disasters, including acts of war, terrorist attacks, and other events, many of which are beyond our control, may lead to economic instability, including in India or globally. Developments in the ongoing conflict between Russia and Ukraine, since February 2022, has resulted in and may continue to result in a period of sustained instability across global financial markets. The imposition of sanctions could lead to unpredictable reactions from Russia. If any sanction risk materializes, this could induce volatility in commodity prices, increase borrowing costs, cause outflow of capital from emerging markets and may lead to overall slowdown in economic activity in India and have a material adverse effect on our business, cash flows, financial condition and results of operations.

In addition, China is one of India's major trading partners and there are rising concerns of a possible slowdown in the Chinese economy as well as a strained relationship with India, which could have an adverse impact on the trade relations between the two countries. The sovereign rating downgrades for Brazil and Russia (and the imposition of sanctions on Russia) have also added to the growth risks for these markets. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term effect of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilizing effects. Any terrorist attacks or civil unrest as well as other adverse social, economic, and political events in India could have a negative effect on us. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the price of the Equity Shares.

52. Any downgrading of India's sovereign debt rating by an international rating agency could have a negative impact on our business and results of operations.

Our borrowing costs and our access to the debt capital markets depend significantly on the credit ratings of India. Moody's affirmed India's sovereign rating as Baa3 with a "stable" outlook, which is the lowest investment grade, in August 2023. DBRS confirmed India's rating as BBB "low" in May 2023. India's sovereign ratings from S&P and Fitch is also BBB- with a "stable" outlook. Any further adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing and the interest rates and other commercial terms at which such financing is available, including raising any overseas additional financing. A downgrading of India's credit ratings may occur, for example, upon a change of government tax or fiscal policy, which are outside our control. This could have an adverse effect on our ability to fund our growth on favorable terms or at all, and consequently adversely affect our business, cash flows and financial performance and the price of the Equity Shares.

53. *Changing tax laws, rules and regulations and legal uncertainties in India, including adverse application of tax laws, may adversely affect our business and financial performance.*

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes, including the few instances (which are only illustrative and not exhaustive) briefly mentioned below, may adversely affect our business, financial condition, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with such changes in applicable law and policy:

- The notified provisions of the Companies Act, 2013, together with the rules thereunder, contain significant changes to Indian company law, such as in the provisions related to issue of capital, disclosures in prospectus, corporate governance norms, accounting policies, audit matters, related party transactions, introduction of a provision allowing the initiation of class action suits in India against companies by shareholders or depositors, insider trading and restrictions on directors and key managerial personnel from engaging in forward dealing.

- The General Anti Avoidance Rules, or GAAR, have been introduced in the Income-tax Act, 1961, or the IT Act along with the rules in the Income Tax Rules, 1962 or the IT Rules, and have come into effect from April 1, 2017. The intent of this legislation is to prevent business arrangements set up with the intent to avoid tax incidence under the IT Act. In the absence of any precedents on the subject, the application of these provisions is uncertain.

- The Government of India has announced the union budget for the Fiscal 2024, pursuant to which the Finance Bill, 2023 ("Finance Bill") has introduced various amendments. The Finance Bill has received assent from the President of India on March 31, 2023, and has been enacted as the **Finance Act, 2023 ("Finance Act")**. We cannot predict whether any amendments made pursuant to the Finance Act would have an adverse effect on our business, financial condition and results of operations. Unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals.

- The Government has recently introduced (a) the Code on Wages, 2019 ("Wages Code"); (b) the Code on Social Security, 2020 ("Social Security Code"); (c) the Occupational Safety, Health and Working Conditions Code, 2020; and (d) the Industrial Relations Code, 2020, which consolidate, subsume and replace numerous existing central labour legislations. Except certain portions of the Wages Code, which have come into force pursuant to notification by Ministry of Labour and Employment, the rules for implementation under such codes are yet to be notified. Accordingly, we are yet to determine the impact of all or some such laws on our business and operations which may restrict our ability to grow our business in the future.

- On September 2, 2022, the RBI issued the 'Guidelines on Digital Lending' following the 'Recommendations of the Working Group on Digital Lending – Implementation' issued by the RBI on August 10, 2022. Our Company is engaged in digital lending within the meaning of the Guidelines on Digital Lending. On June 8, 2023, the RBI issued the 'Guidelines on Default Loss Guarantee' ("DLG Guidelines") in Digital Lending. The DLG Guidelines is applicable to our Company. Failure to comply with the obligations in a timely manner may lead to imposition of penalties, and/or other regulatory action being taken by the RBI against us, which may adversely affect our business operations. Any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation, or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current businesses or restrict our ability to grow our businesses in the future.

- On October 19, 2023, the RBI issued the **Master Direction – Reserve Bank of India (Non-Banking Financial Company –Scale Based Regulation) Directions, 2023** replacing the earlier Non-Banking Financial Company–Non-Systemically Important Non-Deposit taking (Reserve Bank) Directions, 2016 and Non-Banking Financial Company–Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016. The new Master Directions are applicable to our Company. Failure to comply with the obligations in a timely manner may lead to imposition of penalties, and/or other regulatory action being taken by the RBI against us, which may adversely affect our business operations. Any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation, or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current businesses or restrict our ability to grow our businesses in the future.

Further, there have been recent amendments to other laws in India, as well as new acts and regulations that have been promulgated, including the Insider Trading Regulations and SEBI Listing Regulations. The impact of any or all of the above changes to Indian legislation on our business cannot be fully determined at this time. Uncertainty in the applicability, interpretation, or implementation of any amendment to governing law, regulation or policy may impact the viability of our current business or restrict our ability to grow our business in the future. Further, if we are affected, directly or indirectly, by the application or interpretation of any provision of such laws and regulations or any related proceedings or are required to bear any costs in order to comply with such provisions or to defend such proceedings, our business and financial performance may be adversely affected.

54. If inflation were to rise in India, we might not be able to increase the prices of our services at a proportional rate thereby reducing our margins.

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. India has experienced high inflation in the recent past. Increased inflation may lead to higher living costs and various expenses for borrowers, resulting in reduced free cash flow for their loan repayments which may lead to higher delinquencies. Continued high inflation may also lead to slow down in our business and resulting profitability and cash flows. Increased inflation can contribute to an increase in interest rates and increased costs to our business. High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to adequately pass on to our borrowers, whether entirely or in part, and may adversely affect our business and financial condition. In particular, we might not be able to reduce our costs or entirely offset any increases in costs. In such case, our business, results of operations, cash flows and financial condition may be adversely affected. Further, the Government has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. There can be no assurance that Indian inflation levels will not worsen in the future.

55. Investors may have difficulty enforcing judgments of a foreign court against us or our management.

Our Company is a limited liability company incorporated under the laws of India. The majority of our Company assets are located in India and all of our Company's Directors, Key Managerial Personnel and members of our Senior Management, except for Sangeeta Khorana and Goh Colin, are residents of India. As a result, it may not be possible for investors to effect service of process outside of India upon us and such other persons or entities; or to enforce in courts outside of India judgments obtained in such courts against us and such other persons or entities. Moreover, it is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India or that an Indian court would enforce foreign judgments if it viewed the number of damages as excessive or inconsistent with Indian public policy. A party seeking to enforce a foreign judgment in India is required to obtain prior approval from the RBI under the FEMA to repatriate any amount recovered pursuant to the execution of such foreign judgment, and any such amount may be subject to income tax in accordance with applicable laws.
The recognition and enforcement of foreign judgments in India are governed by Sections 13 and 44A of the Civil Code, which provide that a suit must be brought in India within three years of the date of the judgment sought to be enforced. Generally, there are considerable delays in the disposal of suits by Indian courts. Furthermore, enforcement of foreign arbitral awards is governed under Sections 48, 49, 55 and 57 of the Arbitration and Conciliation Act, 1996. However, the courts may refuse to enforce such awards if the courts find that the subject-matter of the dispute is not capable of being settled under the laws of India or if the enforcement would be contrary to the public policy of India.

56. A third party could be prevented from acquiring control of us post the Issue, because of anti-takeover provisions under Indian Law

As a listed Indian entity, there are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company. Under the SEBI Takeover Regulations, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company subsequent to completion of the Issue. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to our Shareholders, such a takeover may not be attempted or consummated because of SEBI Takeover Regulations.

57. We may be affected by competition laws, the adverse application or interpretation of which could adversely affect our business.

The Competition Act, 2002, of India, as amended **("Competition Act")**, regulates practices having an appreciable adverse effect on competition in the relevant market in India ("AAEC"). Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an AAEC is considered void and may result in the imposition of substantial penalties. Further, any agreement among competitors which directly or indirectly involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment or the provision of services or shares the market or source of production or provision of services in any manner, including by way of allocation of geographical area or number of customers in the relevant market or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an AAEC and is considered void. The Competition Act also prohibits abuse of a dominant position by any enterprise.

On March 4, 2011, the Government notified and brought into force the combination regulation (merger control) provisions under the Competition Act with effect from June 1, 2011. These provisions require acquisitions of shares, voting rights, asset(s) or control or mergers or amalgamations that cross the prescribed asset and turnover based thresholds to be mandatorily notified to and pre-approved by the Competition Commission of India (the "CCI"). Additionally, on May 11, 2011, the CCI issued Competition Commission of India (Procedure for Transaction of Business Relating to Combinations) Regulations, 2011, as amended, which sets out the mechanism for implementation of the merger control regime in India.

The Competition Act aims to, among others, prohibit all agreements and transactions which may have an AAEC in India. Consequently, all agreements entered into by us could be within the purview of the Competition Act. Further, the CCI has extraterritorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an AAEC in India. However, the impact of the provisions of the Competition Act on the agreements entered into by us cannot be predicted with certainty at this stage.

58. Financial instability in other countries may cause increased volatility in Indian financial markets.

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our business, our future financial performance and the prices of the Equity Shares.

Events such as the COVID-19 pandemic, the Russia-Ukraine war, and the current Middle East crisis (which can potentially escalate as well) have significantly affected financial markets around the world. Any other global economic developments or the perception that any of them could occur may continue to have an adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, financial condition, cash flows and results of operations and reduce the price of our Equity Shares. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity and the price of our Equity Shares.

RISKS RELATING TO THE EQUITY SHARES AND THIS ISSUE

59. The Equity Shares may experience price and volume fluctuations.

The market price of our Equity Shares can be volatile as a result of several factors beyond our control, including volatility in the Indian and global securities markets, our results of operations, the performance of our competitors, developments in the financial services sector, changing perceptions in the market about investments in this sector in India, investor perceptions of our future performance, adverse media reports about us or our sector, changes in the estimates of our performance or recommendations by financial analysts, significant developments in India's economic liberalization and deregulation policies, and significant developments in India's fiscal regulations.

General or industry specific market conditions or stock performance or domestic or international macroeconomic and geopolitical factors unrelated to our performance also affect the price of our Equity Shares. In particular, the stock market as a whole recently experienced extreme price and volume fluctuations that have affected the market price of many companies in ways that may have been unrelated to the companies' operating performances. For these reasons, investors should not rely on recent trends to predict future share prices, financial condition and results of operations or cash flow.

60. Rights of shareholders under Indian law may differ or may be more limited than under the laws of other jurisdictions.

The Companies Act and related regulations, the rules and regulations issued by SEBI and other regulatory authorities, the Memorandum of Association, the Articles of Association and the SEBI Listing Regulations govern the corporate affairs of the Company. Legal principles relating to these matters and the validity of corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as a shareholder in India than as a shareholder of a corporation in another jurisdiction

61. The investors' ability to acquire and sell Equity Shares is restricted by Indian law and the distribution and transfer restrictions set forth in this Preliminary Placement Document and may be subject to delays if the RBI or any other government agency's approval is required.

Indian laws contain restrictions on the acquisition and transfer of Indian securities by persons, resident outside of India. The Equity Shares have not and will not be registered under the Securities Act, any state securities laws or the law of any jurisdiction other than India. Furthermore, the Equity Shares are subject to restrictions on transferability and resale. The investors are required to be informed about and observe these restrictions. The information below has been provided for the benefit of investors. However, the information below does not purport to be a complete analysis of the restrictions under Indian laws for the acquisition and/or transfer of securities in an Indian company by a person resident outside India.

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing and reporting requirements specified by the RBI. If the transfer of shares is not in compliance with such pricing and reporting requirements or falls under any of the specified exceptions, then prior approval of the RBI will be required. In 57 addition, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no-objection or tax clearance certificate from the Indian income tax authority. Additionally, the Indian government may impose foreign exchange restrictions in certain emergency situations, including situations where there are sudden fluctuations in interest rates or exchange rates, where the Indian government experiences extreme difficulty in stabilising the balance of payments or where there are substantial disturbances in the financial and capital markets in India. These restrictions may require foreign investors to obtain the Indian government's approval before acquiring Indian securities or repatriating the interest or dividends from those securities or the proceeds from the sale of those securities.

We cannot assure you that any required approval from the RBI or any other Government agency can be obtained on any particular terms or at all. Prior to the repatriation of sale proceeds, certain filings must be made with an authorized dealer (bank) remitting the proceeds along with certain documents and undertakings. We cannot guarantee that any approval, if required, will be obtained in a timely manner or at all. Because of possible delays in obtaining requisite approvals, investors in the Equity Shares may be prevented from realizing gains during periods of price increases or limiting losses during periods of price declines.

62. Foreign investors are subject to foreign investment restrictions under Indian laws which limit our ability to attract foreign investors, which may adversely impact the market price of our Equity Shares.

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain restrictions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or falls under any of the exceptions referred to above, then the prior approval of the RBI will be required for the transfer of shares. Additionally, shareholders who seek to convert the Indian Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/tax clearance certificate from the income tax authority. We cannot assure investors that any required approval from the RBI or any other Indian government agency can be obtained on any particular terms, or at all. Additionally, the Government of India may impose foreign exchange restrictions in certain emergency situations, including situations where there are sudden fluctuations in interest rates or exchange rates, where the Government of India experiences extreme difficulty in stabilising the balance of payments, or where there are substantial disturbances in the financial and capital markets in India.

63. Currency exchange rate fluctuations may affect the value of the Equity Shares.

Our Equity Shares are, and will be quoted in Rupees on the BSE and the NSE. Any dividends in respect of the Equity Shares will be paid in Rupees and subsequently converted into other currencies for repatriation. Any adverse movement in exchange rates during the time it takes to undertake such conversion may reduce the net dividend to investors. In addition, any adverse movement in exchange rates during a delay in repatriating the proceeds from a sale of Equity Shares outside India, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares, may reduce the net proceeds received by shareholders.

64. Applicants to the Issue are not allowed to withdraw their Bids after the Issue Closing Date.

In terms of the SEBI ICDR Regulations, applicants in the Issue are not allowed to withdraw their Bids after the Issue Closing Date. There is no assurance, however, that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in our business, results of operation or financial condition, or other events affecting the applicant's decision to invest in the Equity Shares, would not arise between the Issue Closing Date and the date of commencement of trading in the Equity Shares Allotted pursuant to the Issue. Occurrence of any such events after the Issue Closing Date could also impact the market price of the Equity Shares. However, we may complete the Allotment of the Equity Shares even if such events may limit the applicants' ability to sell the Equity Shares after the Issue or cause the trading price of the Equity Shares to decline.

65. Any future issue of Equity Shares may dilute the investor's shareholding and sales of our Equity Shares by our promoter or other major shareholders may adversely affect the trading price of the Equity Shares.

Any future issuance of the Equity Shares by the Company could dilute your shareholding. Any such future issuance of the Equity Shares (including the issuance of Equity Shares through ESOP Scheme) or future sales of the Equity Shares by any of our significant shareholders may also adversely affect the trading price of the Equity Shares and impact our ability to raise capital through an offering of our securities. Any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. Additionally, the disposal, pledge or encumbrance of our Equity Shares by any of our Company's major shareholders, or the perception that such transactions may occur may affect the trading price of our Equity Shares. No assurance may be given that our Company will not issue Equity Shares or that such shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

66. There is no guarantee that the Equity Shares will be listed on BSE and NSE in a timely manner or at all, which may affect a shareholders ability to sell any of the Equity Shares.

In accordance with Indian law and practice, permission for listing of the Equity Shares will not be granted until after those Equity Shares have been issued and allotted. While we have received in-principle approvals from the BSE and NSE on December 14, 2023, the final listing and trading approval requires all relevant documents authorizing the issue of Equity Shares to be submitted in a timely manner to BSE and NSE. There could be a failure or delay in the submission of required documents to BSE and NSE, and the subsequent listing of the Equity Shares, which would restrict your ability to dispose of your Equity Shares.

67. An investor will not be able to sell any of the Equity Shares subscribed in the Issue other than on a recognised stock exchange in India for a period of 12 months from the date of the Issue of Equity Shares.

Pursuant to the SEBI ICDR Regulations, for a period of 12 months from the date of the Allotment of Equity Shares in the Issue, QIBs subscribing to the Equity Shares in the Issue may only sell their Equity Shares on the recognised stock exchanges in India and may not enter into any off-market trading in respect of these Equity Shares. We cannot be certain that these restrictions will not have an impact on the price of the Equity Shares.

68. Investors may be restricted in their ability to exercise pre-emptive rights under Indian law and thereby may suffer future dilution of their ownership position.

Under the Companies Act, a company having a share capital incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages before the issuance of any new equity shares, unless the pre-emptive rights have been waived by adoption of a special resolution by the Company. However, if the law of the jurisdiction the investors are in, does not permit them to exercise their pre-emptive rights without our Company filing an offering document or registration statement with the applicable authority in the jurisdiction that they are in or otherwise taking steps to comply with local securities or other laws, the investors will be unable to exercise their pre-emptive rights unless our Company makes such a filing or take such other steps. In addition, to the extent that the investors are unable to exercise pre-emptive rights granted in respect of the Equity Shares held by them, their proportional interest in the Company would be reduced.

MARKET PRICE INFORMATION

As on the date of this Preliminary Placement Document, 9,96,34,381 Equity Shares are fully paid up and all such Equity Shares are currently listed and traded on the Stock Exchanges. For more information, please refer to "***Capital Structure***" on page 122.

As of December 13, 2023, the closing price of the Equity Shares on the BSE and the NSE was ₹ 247.10 and ₹ 247.05 per Equity Share, respectively. Since the Equity Shares are available for trading on the BSE and NSE, the market price and other information for each of the BSE and the NSE has been given separately.

1. The following tables set forth the reported high, low, average market prices and the trading volumes of the Equity Shares on the Stock Exchanges on the dates on which such high and low prices were recorded and the total trading volumes for Fiscals 2021, 2022, and 2023.

BSE											
Fiscal Year/ Period	**High(1) (₹)**	**Date of high**	**Number of Equity Shares traded on the date of high**	**Total turnover of Equity Shares traded on date of high (in ₹ lakhs)**	**Low(1) (₹)**	**Date of low**	**Number of Equity Shares traded on the date of low**	**Total turnover of Equity Shares traded on date of low (in ₹ lakhs)**	**Average price for the year(2) (₹)**	**Total Number of Equity Shares traded in the Fiscals**	**Total Turnover of Equity Shares traded in the Fiscals (₹ in lakhs)**
From April 1, 2020 – Aug 4, 2020(3)	99.40	Jun 18, 2020	3,380	3.36	47.00	May 19, 2020	3,449	1.63	71.82	15,21,778	1,198.83
From Aug 5, 2020 – Mar 31, 2021(3)	108.45	Mar 10, 2021	71,202	77.52	51.60	Oct 13, 2020	33,231	17.38	73.20	81,25,325	6,077.35
2022	110.45	Dec 15, 2021	95,350	104.06	68.30	Nov 30, 2021	11,121	7.72	85.45	73,13,981	6485.52
2023	171.85	Dec 5, 2022	1,43,327	235.36	85.35	Jun 22, 2022	8,002	7.07	126.97	45,91,856	6034.14

(Source: www.bseindia.com)

Notes:
1. *High and low prices are based on the daily closing prices.*
2. *In the case of a year, average represents the average of the closing prices of all trading days of each year presented.*
3. *Stock market data has been shown separately for periods prior and post the ex-rights date i.e, August 4, 2020, for the rights issue undertaken pursuant to a board resolution dated June 22, 2020.*
4. *In case of two days with the same closing price, the date with higher volume has been considered.*

NSE											
Fiscal Year/ Period	**High(1) (₹)**	**Date of high**	**Number of Equity Shares traded on the date of high**	**Total turnover of Equity Shares traded on date of high (in ₹ lakhs)**	**Low(1) (₹)**	**Date of low**	**Number of Equity Shares traded on the date of low**	**Total turnover of Equity Shares traded on date of low (in ₹ lakhs)**	**Average price for the year(2) (₹)**	**Total Number of Equity Shares traded in the Fiscals**	**Total Turnover of Equity Shares traded in the Fiscals (₹ in lakhs)**
From April 1, 2020 – Aug 4,	98.60	Jun 18, 2020	8,566	8.45	46.80	May 19, 2020	1,07,394	50.49	71.67	1,03,40,885	7,517.63

NSE											
Fiscal Year/ Period	**High[(1)] (₹)**	**Date of high**	**Number of Equity Shares traded on the date of high**	**Total turnover of Equity Shares traded on date of high (in ₹ lakhs)**	**Low[(1)] (₹)**	**Date of low**	**Number of Equity Shares traded on the date of low**	**Total turnover of Equity Shares traded on date of low (in ₹ lakhs)**	**Average price for the year[(2)] (₹)**	**Total Number of Equity Shares traded in the Fiscals**	**Total Turnover of Equity Shares traded in the Fiscals (₹ in lakhs)**
2020[(3)]											
From Aug 5, 2020 – Mar 31, 2021[(3)]	109.00	Mar 10, 2021	5,13,725	560.19	51.70	Oct 13, 2020	1,70,705	89.05	73.18	5,57,88,169	42990.33
2022	110.35	Dec 15, 2021	15,01,030	1,639.61	68.35	Nov 30, 2021	1,23,659	85.85	83.88	5,27,66,369	46,573.05
2023	171.50	Dec 5, 2022	19,93,709	3,267.07	85.35	Jun 22, 2022	1,10,476	95.96	127.04	4,25,16,115	55,706.36

(Source: www.nseindia.com)

Notes:
1. *High and low prices are based on the daily closing prices.*
2. *In the case of a year, average represents the average of the closing prices of all trading days of each year presented.*
3. *Stock market data has been shown separately for periods prior and post the ex-rights date i.e, August 4, 2020, for the rights issue undertaken pursuant to a board resolution dated June 22, 2020.*

2. The following tables set forth the reported high, low and average market prices and the trading volumes of the Equity Shares on the Stock Exchanges on the dates on which such high and low prices were recorded during each of the last six months, as applicable:

BSE											
Month / Period	**High[(1)] (₹)**	**Date of high**	**Number of Equity Shares traded on the date of high**	**Total turnover of Equity Shares traded on date of high (in lakhs)**	**Low[(1)] (₹)**	**Date of low**	**Number of Equity Shares traded on the date of low**	**Total turnover of Equity Shares traded on date of low (in lakhs)**	**Average price for the month[(2)] (₹)**	**Total Number of Equity Shares traded in the month**	**Total Turnover of Equity Shares traded in the month (₹ in lakhs)**
June 2023	183.75	June 01, 2023	76,306	138.71	166.15	June 15, 2023	41,738	69.61	173.63	11,93,516	2,100.09
July 2023	215.10	July 27, 2023	97,375	204.39	169.75	July 10, 2023	36,950	63.13	185.48	27,21,124	5,095.86
August 2023	223.25	August 10, 2023	70,136	158.51	207.15	August 28, 2023	37,244	77.48	216.04	11,19,583	2,454.26
September 2023	248.65	September 20, 2023	48,454	119.82	200.20	September 12, 2023	21,902	44.19	221.21	11,87,056	2730.71
October 2023	243.65	October 30, 2023	2,19,505	536.78	217.15	October 25, 2023	23,244	50.33	231.84	7,86,560	1,858.50
November 2023	267.10	November 16, 2023	28,245	75.87	238.25	November 29, 2023	40,736	97.68	252.80	10,09,096	2,580.34

(Source: www.bseindia.com)

Notes:
1. *High and low prices are based on the daily closing prices.*
2. *In the case of a year, average represents the average of the closing prices of all trading days of each year presented.*

NSE											
Month / Period	**High[(1)] (₹)**	**Date of high**	**Number of Equity Shares traded on the date of high**	**Total turnover of Equity Shares traded on date of high (in ₹ lakhs)**	**Low[(1)] (₹)**	**Date of low**	**Number of Equity Shares traded on the date of low**	**Total turnover of Equity Shares traded on date of low (in ₹ lakhs)**	**Average price for the month[(2)] (₹)**	**Total Number of Equity Shares traded in the month**	**Total turnover of Equity Shares traded in the month (₹ in lakhs)**
June 2023	184.00	June 01, 2023	14,58,142	2,650.06	166.60	June 15, 2023	4,14,485	690.70	173.63	1,29,69,206	22,948.28
July 2023	215.15	July 27, 2023	17,97,240	3,793.31	169.80	July 10, 2023	4,22,616	721.08	185.47	3,66,90,855	69,385.49
August 2023	224.50	August 10, 2023	7,74,378	1,754.11	207.25	August 25, 2023	2,49,739	521.27	216.09	1,13,94,779	24,979.20
September 2023	248.75	September 21, 2023	8,31,927	2,058.18	200.00	September 12, 2023	5,87,266	1,186.80	221.26	1,49,17,076	34,508.22
October 2023	243.30	October 30, 2023	25,13,715	6,152.86	217.40	October 25, 2023	3,47,716	755.94	231.93	1,07,37,732	25,310.08
November 2023	267.05	November 16, 2023	7,85,358	2099.25	238.10	November 29, 2023	3,09,892	743.76	252.86	1,35,31,286	34,739.84

(Source: www.nseindia.com)

Notes:
1. *High and low prices are based on the daily closing prices.*
2. *In the case of a year, average represents the average of the closing prices of all trading days of each year presented.*

3. The following table sets forth the market price on the Stock Exchanges on October 20, 2023, the first working day following the approval of the Board for the Issue:

BSE					
Open	**High**	**Low**	**Close**	**Number of Equity Shares traded**	**Volume (in ₹ lakhs)**
239.25	240.10	235.40	237.05	15,330	36.31

(Source: www.bseindia.com)

NSE					
Open	**High**	**Low**	**Close**	**Number of Equity Shares traded**	**Volume (in ₹ lakhs)**
238.90	239.95	235.20	236.70	1,43,576	341.06

(Source: www.nseindia.com)

USE OF PROCEEDS

The gross proceeds from the Issue will be aggregating to ₹ [●] lakhs* ("**Gross Proceeds**"). Subject to compliance with applicable laws, the net proceeds from the Issue, after deducting fees, commissions, and expenses of the Issue of approximately ₹ [●] lakhs, shall be approximately ₹ [●] lakhs* ("**Net Proceeds**").

Subject to allotment of Equity Shares pursuant to the Issue

Objects of the Issue and deployment of Net Proceeds

Subject to compliance with applicable laws and regulations, our Company proposes to utilize the Net Proceeds towards following objects:

(In ₹ lakhs)

S. No.	Particulars	Amount which will be financed from Net Proceeds
1.	Augment the capital base of the Company to meet funding requirement of our business for onward lending by way of microfinance loans in accordance with the applicable laws and to improve and maintain the enhanced regulatory capital requirements in line with the growth objectives of our business (hereinafter referred as "**Object**")#	[●]
2.	General Corporate Purposes	Nil
Total Gross Proceeds		**[●]**

**The entire Net Proceeds from the Issue shall be utilised for augmenting the capital base of the Company to meet funding requirement of our business and to improve and maintain the enhanced regulatory capital requirements in line with the growth objectives of our business.*
 # Subject to allotment of Equity Shares pursuant to the Issue.

The main objects clause and objects incidental & ancillary to the main objects as set out in the Memorandum of Association enables our Company to undertake the existing activities and the activities proposed to be funded from the Net Proceeds.

The funding requirement, proposed deployment of funds and the intended use of the Net Proceeds set out above is based on our current business plan, internal management estimates, current circumstances of our business, prevailing market conditions and other commercial considerations. We propose to deploy the Net Proceeds for the aforesaid Object by the end of Fiscal 2025. However, these fund requirements and proposed deployment of Net Proceeds have not been appraised by any bank or financial institution. We may have to revise our funding requirement on account of various factors, such as financial and market conditions, interest rates fluctuation, access to capital, competitive landscape and other external factors such as changes in the business environment or regulatory climate, which may not be within the control of our management. This may also entail rescheduling of the proposed deployment of the Net Proceeds at the discretion of our management, subject to compliance with applicable laws.

Further, in the event, the Net Proceeds are not utilized (in full or in part) for the Object of the Issue during the period stated above due to any reason, including (i) the timing of completion of the Issue; (ii) market conditions outside the control of our Company; and (iii) any other economic, business and commercial considerations, the remaining Net Proceeds shall be utilized in subsequent periods in such manner as may be determined by our Company, in accordance with applicable laws. Further, our Company may also utilise any portion of the Net Proceeds, towards the aforementioned Object of the Issue, ahead of the estimated schedule of deployment specified above. For details, see "***Risk Factors – The objects of the Issue have not been appraised by any bank or financial institution. Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and may be subject to change based on various factors, some of which are beyond our control***" on page 107.

Subject to compliance with applicable laws, in case of any variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed from internal accruals, additional equity and/or debt arrangements.

Details of the Object of the Net Proceeds

Augment the capital base of the Company to meet funding requirement of our business for onward lending by way of microfinance loans in accordance with the applicable laws and to improve and maintain the enhanced regulatory capital requirements in line with the growth objectives of our business

Our Company is amongst the top 10 leading NBFC-MFIs in India, in terms of AUM, with a market share of 5.46% as of June 30, 2023, on a standalone basis. (*Source: CRISIL Report*). A microfinance loan is a collateral-free loan given to a household having annual household income up to ₹ 3 lakhs. Our microfinance business is primarily based on the Joint Liability Group (JLG) Model of providing collateral free, microcredit facilities to economically active women in both rural and semi-urban areas, who otherwise have limited access to mainstream financial credit products.

As of September 30, 2023, we have 32.14 lakhs active customers and 33.35 lakhs loan accounts, who are served by our 1,335 branches situated in 412 districts and 96,000 villages across 24 Indian states and union territories. The following table sets out certain key financial and operational parameters for the period indicated:

(in ₹ lakhs except percentages, unless otherwise indicated)

Particulars	As of/for the financial year ended March 31,			As of/for the six-month period ended September 30,	
	2021	2022	2023	2022	2023
AUM (in ₹ crores)	8,378.58	7,617.24	9,115.39	7,575.34	10,099.84
AUM Growth (%)	2.51	(9.09)	19.67	2.63	33.33
Disbursement (in ₹ crores)	5,012.12	4,855.51	8,087.06	3,418.07	4,524.52
Disbursement growth (%)	(44.16)	(3.12)	66.55	114.01	32.37
Net Interest Income (in ₹ lakhs)	74,230.97	75,017.87	94,229.23	40,225.40	59,519.34
Net Interest Margin	8.97	9.38	11.26	5.30	6.20
Active Customers (in no.)	30.51	28.12	28.34	26.81	32.14
Number of Total Active Loan Accounts (in lakhs)	33.74	30.01	29.63	28.25	33.35

For details on other financial and operational parameters, please see "***Selected Statistical Information***" on page 61 of this Preliminary Placement Document.

We intend to expand both our reach and operations in the states where we are currently present, by increasing business transacted through existing branches. Our primary objective is to have diversified presence across geographies in India with significant growth opportunities for microfinance, which we believe will allow us to maintain stable and sustainable growth of our business and mitigate political and state-specific risks. For details on our micro finance business, see "***Our Business***" on page 217 of this preliminary placement document.

To meet the projected business growth and expanding our business operations to new geographies, our Company proposes to deploy the Net Proceeds towards augmenting its capital base for onward lending by way of microfinance loans in accordance with the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 (erstwhile, Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016) and Reserve Bank of India (Regulatory Framework for Microfinance Loans) Directions, 2022 ("**RBI Master Directions**"), and other applicable laws.

Further, in accordance with the RBI Master Direction, NBFC-MFIs shall maintain a capital adequacy ratio consisting of Tier 1 and Tier 2 capital which shall not be less than 15 % of its aggregate risk weighted assets of on-balance sheet and of risk adjusted value of off-balance sheet items. The total of Tier 2 capital at any point of time, shall not exceed 100 % of Tier 1 capital. Set forth below are details of capital adequacy ratio for period indicated:

(in ₹ lakhs, except percentages)

Particulars	Period ended September 30		Financial Year ended March 31,		
	2022	2023	2021	2022	2023
Tier I Capital (A)	102,016.66	148,056.96	120,713.88	120,476.73	122,559.70
Tier II Capital (B)	13,407.14	1,874.00	33,984.75	23,787.96	6,233.76
Total Capital (C = (A) + (B))	115,423.80	149,930.97	154,698.63	144,264.69	128,793.46
Capital Ratios					
Aggregate of risk weighted assets of on-balance sheet and of risk adjusted value of off-balance sheet items ("**Risk Weighted Assets**") (D)	479,637.76	582,775.81	611,907.18	518,283.11	483,749.80
Tier I Capital as a Percentage of Risk Weighted Assets (%) (E=A/D)	21.27%	25.41%	19.73%	23.25%	25.34%

Particulars	Period ended September 30		Financial Year ended March 31,		
	2022	2023	2021	2022	2023
Tier II Capital as a Percentage of Risk Weighted Assets (%) (F=B/D)	2.79%	0.32%	5.55%	4.59%	1.28%
Total Capital as a Percentage of Risk Weighted Assets (%) (G=C/D)	24.06%	25.73%	25.28%	27.84%	26.62%

Since our Company continues to grow our loan portfolio and asset base, it will require additional capital in order to continue to meet applicable capital adequacy ratios with respect to its business, and in terms of RBI Master Directions.

General corporate purposes

No part of the Net Proceeds will be utilised towards general corporate purposes.

Interim use of Net Proceeds

Pending utilization of the Net Proceeds from the Issue, the Company shall invest such proceeds in deposits in scheduled commercial banks or in any other investment as permitted under applicable laws including NBFCs-Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 and in terms of the investment policy of our Company. Provided that in accordance with applicable laws, we undertake to not utilize proceeds from the Issue unless Allotment is made and the corresponding return of Allotment is filed with the RoC and final listing and trading approvals are received from each of the Stock Exchanges.

Monitoring Utilization of Funds

In accordance with Regulation 173A of the SEBI ICDR Regulations, our Company has appointed India Ratings and Research Private Limited as the Monitoring Agency for monitoring the utilisation of Net Proceeds as the size of our Issue exceeds ₹ 10,000 lakhs. Our Audit Committee and the Monitoring Agency will monitor the utilization of the Net Proceeds. Our Company undertakes to place the report(s) of the Monitoring Agency on receipt before the Audit Committee, in accordance with applicable law. Such report, along with the comments (if any) of the Monitoring Agency shall be submitted to the Stock Exchanges within 45 days from the end of each quarter or such other period as may be specified under applicable law and uploaded on the website of our Company at www.satincreditcare.com. Our Company will disclose the utilisation of the Net Proceeds, including interim use under a separate head in our balance sheet for such periods as required under the SEBI ICDR Regulations, the SEBI Listing Regulations and any other applicable laws or regulations, clearly specifying the purposes for which the Net Proceeds have been utilised. Our Company will also, in its balance sheet for the applicable Fiscals, provide details, if any, in relation to all such Net Proceeds that have not been utilised, if any, of such currently unutilised Net Proceeds.

Pursuant to Regulation 32(3) of the SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Net Proceeds. On an annual basis, our Company shall prepare a statement of funds utilised for purposes other than those stated in this Preliminary Placement Document and place it before the Audit Committee and make other disclosures as may be required until such time as the Net Proceeds remain unutilised. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. Further, our Company, on a quarterly basis, shall include the deployment of Net Proceeds under various heads, as applicable, in the notes to our financial results. The statement shall be certified by the Statutory Auditor of our Company. Furthermore, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilisation of the proceeds of the Issue from the Object; and (ii) details of category wise variations in the actual utilisation of the proceeds of the Issue from the Object as stated above. In terms of Regulation 32(7) of the SEBI Listing Regulations, our Company will also disclose every year, the utilization of such funds during that year in its Annual Report until such funds are fully utilized.

Other Confirmations

The Net Proceeds shall be kept by our Company in a separate bank account with a scheduled bank and shall be utilised as approved by the Board and/ or a duly authorized committee of the Board, from time to time only for such purposes, as permitted under the Companies Act, prescribed objects as disclosed above and other applicable laws.

Neither our Promoters nor our Directors are making any contribution either as a part of the Issue or separately in furtherance of the use of the Net Proceeds. Further, neither our Promoters nor our Directors shall receive any proceeds from the Issue, whether directly or indirectly. Since the Issue is only made to Eligible QIBs, our Promoters, Directors, Key Managerial Personnel and members of the Senior Management are not eligible to subscribe in the Issue.

There are no material existing or anticipated transactions in relation to the utilisation of the Net Proceeds entered into or to be entered into by our Company with our Promoters, Promoter Group, Directors, Key Managerial Personnel and members of our Senior Management.

Since the Net Proceeds of the Issue are proposed to be utilised towards the purposes set forth above, and not for implementing any specific project, the following disclosure requirements under Schedule VII of the SEBI ICDR Regulations are not applicable: (i) break-up of cost of the project, (ii) means of financing such project, and (iii) proposed deployment status of the proceeds at each stage of the project.

CAPITALISATION STATEMENT

The following table sets forth our capitalisation as at September 30, 2023, which is derived from the Unaudited Interim Condensed Consolidated Financial Statements and adjusted to give effect to the receipt of the gross proceeds of the Issue.

This table should be read in conjunction with "***Summary Financial Information***", "***Risk Factors***", "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" and other financial information contained in "***Financial Information***" on pages 36, 77, 130 and 302, respectively.

(*in ₹ lakhs*)

Particulars[(1)]	**Pre-Issue as at September 30, 2023[(3)]**	**As adjusted for the Issue[(2)]**
Borrowings		
Debt securities (I)	81,922.60	[●]
Borrowings (other than debt securities) (II)	6,16,378.08	[●]
Subordinated liabilities (III)	29,986.26	[●]
Total borrowings (IV = I + II + III)	**7,28,286.94**	**[●]**
Equity		
Equity Share Capital[(2)] (V)	9,920.66	[●]
Other Equity (VI)	1,80,098.63	[●]
Total Equity[(2)] (VII = V + VI)	1,90,019.29	**[●]**
Ratio: Total Borrowings/Total Equity (VIII=IV /VII)	3.83	**[●]**

(1) *These terms shall carry the meaning as per Schedule III to the Companies Act, 2013 (as amended).*

(2) *'As adjusted for the Issue' column in the above table has been adjusted for the number of Equity Shares issued pursuant to the Issue and the proceeds from the Issue thereon. It reflects changes in Equity only on account of proceeds from the Issue of [●] Equity Shares aggregating to ₹ [●] in Equity Share Capital, at an Issue Price of ₹ [●] per Equity Share, including securities premium of ₹ [●] per equity share aggregating to ₹ [●] in Other Equity. The adjustments will not include any adjustment for Issue related expenses and for any other transactions or movement subsequent to September 30, 2023. The corresponding post-Issue capitalisation data for each of the above amounts given in the table is not determinable at this stage pending the completion of the Issue and will be updated in the Placement Document.*

(3) *Balances in column 'Pre-Issue as at September 30, 2023' are as per the Unaudited Interim Condensed Consolidated Financial Statements for the six months period ended September 30, 2023.*

CAPITAL STRUCTURE

The Equity Share capital of our Company as on the date of this Preliminary Placement Document is set forth below:

(In ₹, except share data)

	Particulars	Aggregate value at face value (except for securities premium account)
A	**AUTHORISED SHARE CAPITAL**	**200,00,00,000**
	12,50,00,000 Equity Shares of face value of ₹ 10 each	125,00,00,000
	7,50,00,000 Preference Shares of face value of ₹ 10 each	75,00,00,000
B	**ISSUED SHARE CAPITAL BEFORE THE ISSUE**	
	9,97,59,661 Equity Shares of face value of ₹ 10 each	99,75,96,610
	SUBSCRIBED SHARE CAPITAL BEFORE THE ISSUE	
	9,97,59,277(4) Equity Shares of face value of ₹ 10 each	99,75,92,770
	PAID-UP EQUITY SHARE CAPITAL BEFORE THE ISSUE	
	9,96,34,381(5) Equity Shares of face value of ₹ 10 each	99,63,43,810
C	**PRESENT ISSUE IN TERMS OF THIS PRELIMINARY PLACEMENT DOCUMENT**	
	Up to [●] Equity Shares aggregating up to ₹ [●] (1)(2)	[●]
D	**ISSUED EQUITY SHARE CAPITAL AFTER THE ISSUE**	
	[●] Equity Shares (2)	[●]
	SUBSCRIBED EQUITY SHARE CAPITAL AFTER THE ISSUE	
	[●] Equity Shares (2)(4)	[●]
	PAID-UP EQUITY SHARE CAPITAL AFTER THE ISSUE	
	[●] Equity Shares (2)(5)	[●]
E	**SECURITIES PREMIUM ACCOUNT**	
	Before the Issue (in ₹ lakhs)	1,23,993.60
	After the Issue (in ₹ lakhs) (2)(3)	[●]

(1) *The Issue has been authorised by our Board pursuant to their resolution passed on October 19, 2023. The Shareholders have authorised and approved the Issue by way of a special resolution dated November 27, 2023.*

(2) *To be determined upon finalisation of the Issue Price.*

(3) *The securities premium amount after this Issue will be calculated on the basis of gross proceeds from this Issue. Adjustments will not include Issue related expenses. To be updated in Placement Document.*

(4) *384 Equity Shares issued to a shareholder pursuant to right issue have been kept in abeyance.*

(5) *Pursuant to a resolution of Board dated April 19, 2000 and resolutions passed by the Rights Issue Committee of the Board dated June 9, 2021 and October 5, 2021, total of 124,896 Equity Shares allotted to certain shareholders of the Company were forfeited, and accordingly are reduced from paid up equity share capital of our Company. For details, see "**Capital Structure - Equity Share capital history of our Company**" on page 122 of this Preliminary Placement Document.*

Equity Share capital history of our Company

The history of the equity share capital of our Company since incorporation is provided in the following table:

Date of allotment	Nature of allotment / transaction	Number of equity shares allotted	Face value per equity share (in ₹)	Issue price per equity share (in ₹)	Nature of consideration	Cumulative number of equity shares
October 30, 1990	Initial subscription to the Memorandum of Association	300	10	10	Cash	300
December 15, 1990	Further issue	27,100	10	10	Cash	27,400
July 26, 1991	Further issue	12,100	10	10	Cash	39,500
August 30, 1993	Further issue	1,900	10	10	Cash	41,400
March 25, 1994	Further issue*	5,000	10	10	Cash	46,400
August 24, 1994	Further issue*	1,36,000	10	10	Cash	1,82,400
November 24, 1994	Further issue*	82,500	10	10	Cash	2,64,900
March 19, 1995	Further issue*	50,000	10	10	Cash	3,14,900
March 30, 1995	Further issue*	46,000	10	10	Cash	3,60,900
December 29, 1995	Further issue*	7,43,600	10	10	Cash	11,04,500
August 3, 1996	Issuance of Equity Shares pursuant to initial public offer	18,95,500	10	10	Cash	30,00,000
April 19, 2000	Forfeiture of Equity	(46,500)	10	-	-	29,53,500

Date of allotment	Nature of allotment / transaction	Number of equity shares allotted	Face value per equity share (in ₹)	Issue price per equity share (in ₹)	Nature of consideration	Cumulative number of equity shares
	Shares					
May 12, 2000	Preferential allotment	6,00,000	10	15	Cash	35,53,500
December 6, 2007	Allotment of Equity Shares to certain shareholders of Satin Intellicomm Limited ("**SIL**") pursuant to merger of SIL with our Company by way of order of the Delhi High Court dated September 27, 2007.	29,59,679	10	10	Other than cash^	65,13,179
March 17, 2008	Preferential allotment	13,18,500	10	40	Cash	78,31,679
March 17, 2008	Allotment of Equity Shares pursuant to conversion of fully convertible warrants issued and allotted on August 4, 2007 by way of preferential allotment	10,00,000	10	10	Cash	88,31,679
April 29, 2009	Allotment of Equity Shares pursuant to conversion of fully convertible warrants issued and allotted on February 1, 2008 by way of preferential allotment	13,20,000	10	10	Cash	1,01,51,679
November 27, 2009	Preferential allotment to Satin Employees Welfare Trust	4,25,000	10	20	Cash	1,05,76,679
November 27, 2009	Preferential allotment	4,31,648	10	45	Cash	1,10,08,327
January 30, 2010	Allotment of Equity Shares pursuant to conversion of fully convertible warrants issued and allotted on April 29, 2009 by way of preferential allotment	3,90,000	10	45	Cash	1,13,98,327
June 22, 2010	Preferential allotment to Satin Employees Welfare Trust	1,00,000	10	22	Cash	1,14,98,327
June 22, 2010	Allotment of Equity Shares pursuant to conversion of fully convertible warrants issued and allotted on April 29, 2009 by way of preferential allotment	1,10,000	10	45	Cash	1,16,08,327
June 30, 2010	Allotment of Equity Shares pursuant to conversion of fully convertible warrants issued and allotted on June 22, 2010 by way of preferential allotment	1,21,212	10	55	Cash	1,17,29,539
June 30, 2010	Allotment of Equity Shares pursuant to conversion of fully convertible warrants	3,59,999	10	55	Cash	1,20,89,538

Date of allotment	Nature of allotment / transaction	Number of equity shares allotted	Face value per equity share (in ₹)	Issue price per equity share (in ₹)	Nature of consideration	Cumulative number of equity shares
	issued and allotted on June 22, 2010 by way of preferential allotment					
November 13, 2010	Allotment of Equity Shares pursuant to conversion of fully convertible warrants issued and allotted on June 22, 2010 by way of preferential allotment	8,78,788	10	55	Cash	1,29,68,326
November 13, 2010	Allotment of Equity Shares pursuant to conversion of fully convertible warrants issued and allotted on June 22, 2010 by way of preferential allotment	6,40,001	10	55	Cash	1,36,08,327
November 22, 2010	Preferential allotment	4,40,000	10	57	Cash	1,40,48,327
December 31, 2010	Preferential allotment	23,00,000	10	95	Cash	1,63,48,327
February 12, 2011	Preferential allotment	19,00,000	10	95	Cash	1,82,48,327
April 21, 2011	Preferential allotment to Satin Employees Welfare Trust	1,50,000	10	25	Cash	1,83,98,327
March 30, 2013	Preferential allotment	47,95,324	10	85.50	Cash	2,31,93,651
April 2, 2014	Preferential allotment	26,57,710	10	107	Cash	2,58,51,361
June 3, 2015	Preferential allotment	32,30,000	10	130	Cash	2,90,81,361
February 10, 2016	Allotment pursuant to conversion of fully convertible warrant issued and allotted on June 3, 2015 by way of preferential allotment	14,70,000	10	130	Cash	3,05,51,361
March 21, 2016	Allotment pursuant to conversion of fully convertible warrant issued and allotted on June 3, 2015 by way of preferential allotment	14,00,000	10	130	Cash	3,19,51,361
August 30, 2016	Allotment of Equity Shares to certain shareholders of Taraashna Services Private Limited (“**TSPL**”) as a consideration for purchase of 79,77,239 equity shares of TSPL by the Company.	10,87,456	10	457.82[#]	Other than cash[#]	3,30,38,817
October 3, 2016	Qualified institutions placement	45,29,970	10	551.88	Cash	3,75,68,787
April 21, 2017	Preferential allotment	15,43,187	10	416.67	Cash	3,91,11,974
June 30, 2017	Allotment pursuant to conversion of fully convertible warrant issued and allotted on March 10, 2017 by way	6,58,690	10	455.45	Cash	3,97,70,664

Date of allotment	Nature of allotment / transaction	Number of equity shares allotted	Face value per equity share (in ₹)	Issue price per equity share (in ₹)	Nature of consideration	Cumulative number of equity shares
	of preferential allotment					
October 11, 2017	Qualified institutions placement	49,18,032	10	305	Cash	4,46,88,696
December 28, 2017	Preferential allotment	29,85,073	10	335	Cash	4,76,73,769
May 30, 2018	Allotment pursuant to conversion of optionally convertible redeemable preference shares, allotted on August 10, 2017 by way of preferential allotment	12,30,098	10	284.53	Cash	4,89,03,867
June 27, 2019	Allotment of (i) 17,91,044 Equity Shares pursuant to conversion of fully convertible warrant issued and allotted on December 22, 2017 by way of preferential allotment; and (ii) 13,43,283 Equity Shars pursuant to conversion of optionally convertible cumulative redeemable preference shares issued and allotted on December 28, 2017 by way of preferential allotment;	31,34,327	10	335	Cash	5,20,38,194
September 1, 2020	Rights Issue^^	1,99,82,283^^	10	60	Cash	7,20,20,477^^
January 25, 2022	Preferential allotment	30,76,916	10	81.25	Cash	7,50,18,997^^
September 28, 2022	Allotment of Equity Shares pursuant to conversion of fully convertible warrants which were issued and allotted on January 25, 2022 by way of preferential allotment	41,02,564	10	81.25	Cash	7,91,21,561
Allotment of Equity Shares in the last one year preceding the date of this Preliminary Placement Document						
December 29, 2022	Allotment of Equity Shares pursuant to conversion of fully convertible warrant which were issued and allotted on January 25, 2022 by way of preferential allotment.	41,02,564	10	81.25	Cash	8,32,24,125
March 16, 2023		20,00,000	10	81.25	Cash	8,52,24,125
June 13, 2023		32,82,052	10	81.25	Cash	8,85,06,177
July 7, 2023		29,23,076	10	81.25	Cash	9,14,29,253
July 21, 2023		82,05,128	10	81.25	Cash	9,96,34,381
	Total	9,96,34,381				

Certain secretarial records for allotments of Equity Shares made in years 1994 and 1995 are not traceable, and we have relied on alternative back-ups for inclusion of relevant disclosures in this Preliminary Placement Document. For details, see "Risk Factors- Some of our corporate records are not traceable. Non availability of such records may result in regulatory actions against our Company by regulatory or statutory authorities, which may have an adverse impact on our financial condition and reputation**" on page 104 of this Preliminary Placement Document.*

^ 2,113 Equity Shares of Company were allotted for acquisition of every 100 equity shares of SIL.
 # Weighted average fair value per share of the Company in terms of the valuation report dated June 30, 2016. 1,363 Equity Shares of Company were allotted for acquisition of every 10,000 equity shares of face value of ₹ 10 each of TPSL.

*^^The Rights Issue Committee of the Board ("**Rights Committee**") pursuant to resolution passed on September 1, 2020 has allotted 1,99,82,283 Equity Shares to existing shareholders of the Company pursuant to a rights issue for a cash consideration of ₹ 60 per Equity Share (including premium of ₹ 50 per Equity Share) of which (i) ₹ 15 (including premium of ₹ 12.5 per Equity Shares) was paid as application money, (ii) ₹ 30 (including premium of ₹ 25 per*

Equity Share) was paid as first call money, and (iii) balance ₹ 15 (including premium of ₹ 12.5 per Equity Shares) was paid as second and final call money. Further, on account of non-payment of call money by certain shareholders of the Company, 78,396 partly paid up equity shares of the Company comprising (i) 54,366 partly paid up equity shares on account of non-payment of first call money; and (ii) 24,030 partly paid up equity shares on account of non-payment of second and final call money, were forfeited pursuant to resolutions passed by the Rights Committee in their meetings held on June 9, 2021 and October 5, 2021, respectively. Accordingly, paid up equity share capital of our Company was reduced from 7,20,20,477 Equity Shares of face value of ₹ 10 each to 7,19,42,081 Equity Shares of face value of ₹ 10 each, on account of aforesaid forfeiture of 78,396 partly paid-up equity shares of our Company.

Further, 384 Equity Shares were issued pursuant to Rights Issue to a shareholder of the Company, however such Equity Shares were not allotted and were kept in abeyance.

Except as stated in "***– Equity Share capital history of our Company***" above, our Company has not made any allotment of Equity Shares or Preference Shares in the one year immediately preceding the date of this Preliminary Placement Document, including for consideration other than cash, or made any allotment of Equity Shares or Preference Shares pursuant to a preferential issue, private placement, or a rights issue.

Preference Share capital history of our Company

As on the date of this Preliminary Placement Document, our Company does not have any outstanding Preference Shares.

Satin Employee Stock Option Scheme 2017 ("Satin ESOS 2017")

The Satin ESOS 2017 was approved for grant of options to eligible employees of our Company and/or subsidiaries, pursuant to resolutions approved by (a) the Nomination and Remuneration Committee in its meeting held on May 26, 2017, (b) our Board in their meeting held on May 26, 2017 and (c) Shareholders of our Company pursuant to special resolution passed in the Annual General Meeting of our Company held on July 6, 2017. The Satin ESOS 2017 is implemented through Satin Employees Welfare Trust, and is administered through the Nomination and Remuneration Committee. The Satin ESOS 2017 envisaged grant of options not exceeding 3,61,400 options (*and will also include such number of shares lying with Satin Employees Welfare Trust pursuant to non-exercisability of options outstanding under the erstwhile employee stock option schemes**), convertible into one Equity Share upon exercise, which are subject to corresponding fair and reasonable adjustment in the event of corporate actions by our Company including rights issues, bonus issues, sub-division, consolidation of capital, declaration of dividend.

**Further, pursuant to special resolution passed by our Shareholders in their meeting held on July 6, 2017, erstwhile stock option plans inter-alia, Satin Employee Stock Option Plan 2009, 2010 (I) and 2010 (II) were terminated, and superseded by the Satin ESOS 2017.*

The Satin ESOS 2017 scheme is in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended.

The following table sets forth details in respect of the Satin ESOS 2017:

Particulars	Details (in number)
Total number of options*	7,45,000
Total number of options granted	3,71,800
Options vested	2,50,500
Options exercised	46,650
Options lapsed/forfeited	3,25,150
Total options outstanding	Nil

***** *In terms of Satin ESOS 2017, the maximum number of options that can be granted to any eligible employee during any one year shall not be equal to or exceed 1% of the issued capital of the Company at the time of such grant, unless approved by shareholders.*

Proposed Allottees in this Issue

In compliance with the requirements of Chapter VI of the SEBI ICDR Regulations, Allotment shall be made by the Company, in consultation with the Book Running Lead Manager, to Eligible QIBs only, on a discretionary basis. For details regarding the names of the proposed Allottees and the percentage of post-Issue share capital that may be held by them, please see '***Details of Proposed Allottees***' on page 872 of this Preliminary Placement Document.

Pre-Issue and post-Issue shareholding pattern

Sr no	Category	Pre-Issue (As of December 8, 2023)^		Post-Issue*	
		No. of Equity Shares held	% of share holding	No. of Equity Shares held	% of share holding
A.	**Promoters' holding****				
1.	**Indian**				
	Individual	17,23,671	1.73	[●]	[●]
	Bodies Corporate	3,81,07,082	38.25	[●]	[●]
	Sub-total	**3,98,30,753**	**39.98**	**[●]**	**[●]**
2.	Foreign promoters	-	-	[●]	[●]
	Sub-total (A)	-	-	**[●]**	**[●]**
B.	**Non– Promoters' holding**				
1.	Institutional Investors				
	Indian	30,37,536	3.05	[●]	[●]
	Foreign	69,77,246	7.00	[●]	[●]
2.	Non-Institutional Investors				
	Private Corporate Bodies	2,84,62,611	28.57	[●]	[●]
	Directors and relatives	1,000	0.00	[●]	[●]
	Indian public	1,95,09,449	19.58	[●]	[●]
	Others including Non- resident Indians (NRIs)	18,15,786	1.82	[●]	[●]
	Sub-total (B)	5,98,03,628	60.02	[●]	[●]
	Grand Total (A+B)	**9,96,34,381**	**100**	**[●]**	**[●]**

^ Based on beneficiary position data of our Company as on December 8, 2023.
**The table for the post-Issue shareholding pattern of the Company has been intentionally left blank and shall be filled at the time of filing of the Placement Document.*
*** Includes shareholding of the members of the Promoter Group.*

Other Confirmations

- There would be no change in control in our Company consequent to the Issue.

- Our Company shall not make any subsequent qualified institutions placement until the expiry of two weeks from the date of this Issue. Further, Equity Shares allotted pursuant to this Issue cannot be sold by the Allottees for a period of one year from the date of Allotment, except on the Stock Exchanges.

- There are no outstanding warrants, options, or rights to convert debentures, loans, or other instruments convertible into Equity Shares as on the date of this Preliminary Placement Document.

- Our Equity Shares have been listed for a period of at least one year prior to the date of issuance of notice dated October 27, 2023, to the Shareholders for the approval of this Issue.

- Our Promoters, Directors, Key Managerial Personnel, and members of the Senior Management of our Company do not intend to participate in the Issue.

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DIVIDEND POLICY

In accordance with the provisions of the Companies Act, 2013, as amended, dividend shall be paid out of (a) relevant financial year's profit, after providing for depreciation in accordance with the provisions of the applicable law; or (b) net profit from any previous financial year(s), after providing for depreciation and remaining undistributed; or (c) out of (a) and (b) mentioned above.

Dividend amounts are determined each Fiscal in accordance with our Board's assessment of our Company's financial performance, past dividend trends, liquidity position, capital expenditure requirements, debt obligations, the external market conditions and other factors. The declaration and payment of interim dividends, if any, will be approved by the Board of Directors at their discretion, subject to the provisions of the Articles of Association and the Companies Act, 2013, as amended. Further, the declaration and payment of final dividends, if any, will be recommended by the Board of Directors and approved by the Shareholders of our Company, at their discretion, subject to the provisions of the Articles of Association and the Companies Act, 2013, as amended.

Except as disclosed below, we have not declared any dividends in the last three Financial Years and for current Fiscal 2024 until the date of filing of this Preliminary Placement Document:

Particulars	**From April 1, 2023 till the date of filing of this PPD**	**Fiscal 2023**	**Fiscal 2022**	**Fiscal 2021**
Number of equity shares at year/period ended (issued and subscribed)	9,96,34,381	8,52,24,125	7,50,18,997	5,20,38,194
Face value per equity share (in ₹)	10	10	10	10
Dividend per equity share (in ₹)	NIL	NIL	NIL	NIL
Dividend paid (in ₹ lakhs)	NIL	NIL	NIL	NIL
Rate of dividend (% of face value)	NIL	NIL	NIL	NIL
Dividend distribution tax (in ₹ lakhs)[#]	NIL	NIL	NIL	NIL
Dividend distribution tax (%)	NIL	NIL	NIL	NIL
Mode of payment	NA	NA	NA	NA

[#] Pursuant to the Finance Act 2020, dividend distribution tax ("DDT") is not required to be paid in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020.

<table>
<tr><th>Particulars</th><th>From April 1, 2023 till the date of filing of the PPD</th><th>Fiscal 2023</th><th>Fiscal 2022</th><th>Fiscal 2021</th></tr>
<tr><td>Number of Preference shares at year/period ended (issued and subscribed)</td><td rowspan="8">Nil</td><td rowspan="8">Nil</td><td>2,50,00,000</td><td>2,50,00,000</td></tr>
<tr><td>Face value per Preference share (in ₹)</td><td>10</td><td>10</td></tr>
<tr><td>Dividend per Preference shares (in ₹)</td><td>1.28</td><td>1.21</td></tr>
<tr><td>Dividend Declared*** (in ₹ Lakhs)</td><td>319.90*</td><td>302.50**</td></tr>
<tr><td>Rate of dividend (% of face value)</td><td>12.10%</td><td>12.10%</td></tr>
<tr><td>Dividend distribution tax (in ₹ Lakhs)[#]</td><td>Nil</td><td>Nil</td></tr>
<tr><td>Dividend distribution tax (%)</td><td>Not Applicable</td><td>Not Applicable</td></tr>
<tr><td>Mode of payment</td><td>Banking Channels</td><td>Banking Channels</td></tr>
</table>

** Represents Dividend declared for FY 2020-21 and for FY 2021-22 till the date of maturity dated 22nd April 2021.*
*** Represents Dividend declared for FY 2019-20.*
**** As on 30th September 2023 unpaid dividend on preference shares is INR 1.13 Lakhs.*

Further, there are no dividends that have been declared but are yet to be paid out by our Company for Fiscal 2024 until the date of this Preliminary Placement Document.

Future Dividends

The form, frequency and amount of future dividends on the Equity Shares will depend upon our Company's future earnings, cash flow, financial condition and other factors and shall be at the discretion of its Board of Directors and subject to approval of the shareholders of our Company. The amounts paid as dividends in the past are not necessarily indicative of the dividend distribution policy of our Company or dividend amounts, if any, in the future. Investors are cautioned not to rely on past dividends as an indication of the future performance of our Company or for an investment in the Equity Shares offered in the Issue. There is no assurance that any future dividends will be declared or paid or that the amount thereof will not be decreased. For details, see "***Risk Factors – Our Company may not be able to pay dividends in the future. Our ability to pay dividends in the future will depend upon regulatory stipulations, our future earnings, financial condition, cash flows, and capital expenditures and the terms of our financing arrangements***" on page 105.

For a summary of certain Indian tax consequences of dividend distributions to shareholders, see "***Taxation***" on page 289.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*An investment in the Equity Shares involves a high degree of risk. Prospective investors should carefully consider all the information in this Preliminary Placement Document, including the risks and uncertainties described below, before making an investment in our Equity Shares. This section should be read in conjunction with "**Risk Factors**", "**Industry Overview**", "**Our Business**", "**Selected Statistical Information**", and "**Financial Information**" on pages 77, 172, 217, 61 and 302, respectively, before making an investment decision in relation to the Equity Shares. Unless otherwise specified or as the context requires, financial information herein as and for the years ended March 31, 2021, 2022 and 2023 is derived from the Audited Consolidated Financial Statements, the financial information herein for the six months ended September 30, 2022, and six months ended September 30, 2023 is derived from the Unaudited Interim Condensed Consolidated Financial Statement. All financial and operational numbers included for September 30, 2022 and September 30, 2023 are not on annualized basis.*

*This discussion contains forward-looking statements and reflects the current views of our Company with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements due to certain factors, such as those set forth under "**Risk Factors**" on page 77.*

Our financial year ends on March 31 of each year. Accordingly, all references to a particular "fiscal year" and "Fiscal" are to the 12-month period ending on March 31 of that year.

Unless otherwise indicated or the context requires otherwise, in this section, references to "we," "us", "our" or "Group" refer to our Company (Satin Creditcare Network Limited) on a consolidated basis and references to "the Company" or "our Company" refer to our Company (Satin Creditcare Network Limited) on a standalone basis.

Overview

We are a financial services group with diversified product portfolio and geographical presence focused on providing a comprehensive range of products and services to the financially under-served community. As of September 30, 2023, we have 32.14 lakhs active customers and 33.35 lakhs loan accounts, who are served by our 1,335 branches situated in 412 districts and 96,000 villages across 24 Indian states and union territories.

Over the years, we have rapidly scaled our operations while maintaining our asset quality. Our AUM was ₹10,099.84 crores as of September 30, 2023. Further, our Company is amongst the top 10 leading NBFC-MFIs in India, in terms of AUM, with a market share of 5.46% as of June 30, 2023, on a standalone basis. (*Source: CRISIL Report*). In terms of disbursements, we experienced a significant year-on-year growth of 66.55%, for the financial year ended March 31, 2023, and recorded our highest ever disbursement of ₹ 8,087.06 crores. Additionally, for the six-month period ended September 30, 2023, we recorded a disbursement of ₹ 4,524.52 crores, as compared to ₹ 3,418.07 crores recorded for the six-month period ended September 30, 2022.

Our Company started its operations in 1990 as a provider of low-ticket finance. It registered as an NBFC with the RBI in 1998 and was converted into an NBFC-MFI in November 2013. It currently has two wholly owned subsidiaries: Satin Housing Finance Limited (SHFL) which provides affordable housing finance loans to salaried individuals, self-employed professionals, individuals belonging to the middle and low-income groups who reside in the outskirts of tier-II and below cities and Satin Finserv Limited (SFL) which offers small ticket-size secured retail MSME/SME loans. Our Company also had a subsidiary, Taraashna Financial Services Limited (TFSL), which was involved in business correspondent (BC) operations, which has now merged into SFL. For further details on the product-wise AUM, see "***Selected Statistical Information***" on page 61.

Our microfinance business is primarily based on the Joint Liability Group (**JLG**) model of providing collateral free, microcredit facilities to economically active women in both rural and semi-urban areas, who otherwise have limited access to mainstream financial credit products. We also offer loans to MSMEs, housing finance loans, product loans for financing purchase of solar lamps and loans for development of water connection and sanitation facilities.

Set forth are the details of our key offerings:

i) MFI Portfolio

Our MFI portfolio comprises of the below-mentioned individual loan offerings. As of September 30, 2023, loans offered under the MFI portfolio accounted for 88.28% of our total AUM while in the six months ended September 30, 2023, disbursements in this offering accounted for 93.11% of our total disbursements by value.

Income Generation Loan (IGL): We provide collateral-free IGL loans to economically active women in both rural and semi-urban areas for several purposes related to agricultural, transportation and trading related business operations.

Long Term Loan (LTL): Long-term loans (Vriddhi) are provided to existing customers after the successful completion of the IGL loan cycle, to enable long-term wealth generation.

Product Financing: These are customized cross-selling loans offered on the main loans availed by customers to assist local communities in several parts of the country to gain access to clean energy, better transportation as well as consumer durables such as televisions, refrigerators, mobile phones and washing machines.

WASH Loan: We provide WASH loans to enable customers to avail affordable credit so as to secure the basic necessities of life, like sanitation and hygiene. These loans facilitate multiple purposes like setting up water pumps, bore wells and toilet construction/improvement.

ii) *Non-MFI Portfolio*

Our Non-MFI portfolio is primarily divided into loans to MSMEs and Housing Finance Loans.

Housing Finance*:* We provide affordable housing finance loans to salaried individuals, self-employed professionals, individuals belonging to the middle and low-income groups who reside in the outskirts of tier-II and below cities to own, construct, purchase, extend, repair, or upgrade houses. As of September 30, 2023, home loans accounted for 5.62% of our total AUM while in the six months ended September 30, 2023, disbursements in this offering accounted for 3.23% of our total disbursements by value.

Loans to Micro, Small and Medium Enterprises Loan (MSMEs)*:* We provide loans to micro, small and medium enterprises (MSMEs). Our aim is to assist them by fulfilling their working capital requirements and facilitating their business expansions. As of September 30, 2023, loans to MSMEs accounted for 6.10% of our total AUM while in the six months ended September 30, 2023, disbursements in this offering accounted for 3.66% of our total disbursements by value.

Initially, at the time of commencement of our JLG operations, our Company's branches were primarily located in the North Indian states and it has now grown to become the most diversified MFI, amongst its peer set with operations in 24 states and union territories as of June 30, 2023 (*Source: CRISIL Report*), including Uttar Pradesh, Bihar, Madhya Pradesh, Punjab, Uttarakhand, Rajasthan, Haryana, Maharashtra, Delhi NCR, Jharkhand, Chhattisgarh, Tamil Nadu, Gujarat, West Bengal, Orissa, Karnataka, Tripura, Jammu and Kashmir, Pondicherry, Himachal Pradesh, Sikkim, Meghalaya, Arunachal Pradesh and Assam. Further, in terms of overall AUM concentration as well: our top four states contribute to 54.34% of our AUM; the next six states contribute to 29.07% of our AUM; and the remaining states and union territories contribute to 16.59% of our AUM as of September 30, 2023, which indicates our concerted efforts towards reducing regional concentration. Our operations are also well-diversified at the district level. Around 96.40% of the districts, where we had branches as of September 30, 2023, individually represent less than 1.00% of our AUM.

We have a large and diversified network of 72 lenders comprising a range of banks, NBFCs, domestic financial institutions and overseas funds, on a standalone basis. We continue to meet our borrowing requirements through term loans, non-convertible debentures, sub-debt and ECBs. The diversification of the sources of funds has allowed us to strengthen our liquidity position. Our Average Cost of Borrowings, as a percentage of the total borrowings, in Fiscal 2021, 2022, 2023 and the six months ended September 30, 2022, and September 30, 2023 was 10.19%, 10.87%, 10.34%, 5.44% and 5.48% respectively. In order to further reduce our borrowing costs, we have also securitized and assigned through bilateral transactions a certain portion of the receivables from our loan portfolio to banks and other institutions.

Despite the cyclical changes in the economy as well as the industry in which we operate, we have been able to grow our business and we believe that we have gained a comprehensive understanding of the markets and the industry. We implemented strategic changes during demonetization such as strengthening our management team, diversifying out of unsecured MFI portfolio by incorporating subsidiaries in housing and MSME finance, changing centre meeting to bi-weekly and process re-engineering which enabled us to optimise our operations. During the COVID-19 pandemic, we invested in technology and implemented several additional measures such as an integrated payment getaway on our official websites and QR codes on our loan cards which enabled easier collection of EMIs and loan repayments from customers who had relocated temporarily for business purposes.

We have implemented digitization across our operational value chain, from customer onboarding to loan disbursement and collection and delivered paperless transactions through our loan management system ("LMS"), which is compliant with the ISO 27001:2013 standard. 100% of our disbursements are through the cashless mode and 92.38% of our branches have implemented paperless operations through the electronic verification of our customers' credentials. For the six-month period ended September 30, 2023, 29.47% of our repayments were collected through cashless mode (including cash collected and dropped by our field employee at the retail outlets of our service and technical partners). Further, we have also created an in-house customer service application which enables the availability of the customer's repayment schedule on a real-time basis and facilitates quick and efficient repayment through UPI and RuPay.

We have also constantly striven to implement environmental, social and governance factors in our business operations and were recently assigned "AA" ESG rating by ESG Risk Assessments & Insights Ltd. We offer customized loans to facilitate customers' access to safe water and sanitation facilities and clean energy loans like solar and bicycle loans. Through our customised product offerings, we have empowered 838,808 households with clean energy and contributed to a reduction of 44,528.00 tons of carbon dioxide emissions as of July 31, 2023. Our Company has been conferred with the "Best Innovative Financial Accessibility Model" award for its WASH loans at the ISC-FICCI Sanitation Awards. Our green loan partner, D. Light, has also recognized us for our contribution towards facilitating access to affordable & sustainable impact products. In addition, we have remained steadfast in our commitment towards social initiatives and have conducted regular campaigns including organizing campaigns to increase financial literacy among our clients.

We have an experienced management team, led by HP Singh, our Company's Promoter and Chairman cum Managing Director, who has over three decades of experience in the financial services sector. We believe that the vision and leadership of our management team has contributed to our consistent and positive performance in the past and will drive our strategic growth in the future.

The following table sets out certain key financial and operational parameters for the relevant periods:

Particulars	As of/for the financial year ended March 31,			As of/for the six-month period ended September 30,	
	2021	2022	2023	2022	2023
AUM[1] (in ₹ crores)	8,378.58	7,617.24	9,115.39	7,575.34	10,099.84
AUM Growth (%)[2]	2.51	(9.09)	19.67	2.63	33.33%
Non-MFI share (%)	7.95	10.98	12.32	12.75	11.72
Average AUM (₹ in crores)[10]	8,276.12	7,997.91	8,366.32	7,596.30	9,607.62
On-book Portfolio (₹ in crores)[11]	6,000.54	5,603.66	6,337.03	5,518.34	7,356.67
Average On-book Portfolio (₹ in crores)[12]	5,435.42	5,802.10	5,970.34	5,561.00	6,846.85
Disbursements (₹ in crores)[3]	5,012.12	4,855.51	8,087.06	3,418.07	4,524.52
Average monthly disbursement (in ₹ crores)	417.68	404.63	673.92	569.68	754.09
Disbursement Growth (%)[4]	(44.16)	(3.12)	66.55	114.01	32.37
Active Customers[5] (in lakhs)	30.51	28.12	28.34	26.81	32.14
Number of branches	1,266	1,232	1,286	1,244	1,335
Number of Total Active Loan Accounts[6] (in lakhs)	33.74	30.01	29.63	28.25	33.35
Non-MFI share (%)	7.95	10.98	12.32	12.75	11.72
Return on Assets (%)[7]	(0.18)	0.26	0.06	(2.03)	2.26
Return on Equity (%)[8]	(0.95)	1.35	0.30	(10.04)	11.03
Net Interest Margin (%)[13]	8.97	9.38	11.26	5.30	6.20

Particulars	As of/for the financial year ended March 31,			As of/for the six-month period ended September 30,	
	2021	2022	2023	2022	2023
Operating Expense (in ₹ lakhs) [14]	45,018.64	50,570.24	52,792.26	26,540.25	28,985.55
Opex Ratio[15]	5.44	6.32	6.31	3.49	3.02
Cost-to-Income Ratio (%)[16]	60.65	67.41	56.03	65.98	48.70
Net Interest Income (in ₹ lakhs) [9]	74,230.97	75,017.87	94,229.23	40,225.40	59,519.34
Impairment of financial instruments (in ₹ lakhs) [17]	27,902.65	18,073.66	40,808.22	33,747.25	4,657.46
Credit Cost (including provision made under FLDG arrangement) (in ₹ lakhs) [18]	30,187.72	21,029.77	40,912.91	34,209.14	4,470.85
Profit/(Loss) After Tax (in ₹ lakhs) [19]	(1,398.22)	2,069.89	481.31	(15,250.04)	19,464.96
Provisioning (in ₹ lakhs) [20]	29,332.88	35,289.11	12,923.32	15,718.26	13,581.41
Net Worth (in ₹ lakhs) [21]	1,48,616.46	1,58,185.34	1,62,812.43	1,45,507.07	1,90,019.29

Notes:

[1] AUM represents the aggregate of future principal outstanding and overdue principal outstanding, if any, for all loan assets under management which includes loan assets held by the Company as of the last day of the relevant period as well as loan assets which have been transferred by our Company by way of securitization or assignment and are outstanding as of the last day of the relevant period

[2] AUM Growth represents percentage growth in AUM for the relevant period over AUM of the previous period

[3] Disbursements represent the aggregate of all loan amounts extended to our customers in the relevant period

[4] Disbursement Growth represents percentage growth in disbursement for the relevant period over disbursement of the previous period

[5] Active Customers represent the aggregate number of customers as of the end of the relevant period including customers whose loan accounts have been transferred by our Company by way of securitization or assignment and are active as of the last day of the relevant period

[6] Total Active Loan Accounts represent the aggregate number of loan accounts outstanding as of the end of the relevant period including loan accounts which have been transferred by our Company by way of securitization or assignment and are outstanding as of the last day of the relevant period

[7] RoA represents ratio of PAT to the Average Total Assets (average of opening and closing Total Assets as per balance sheet of the relevant period)

[8] RoE represents ratio of PAT to the average Net Worth (average of opening and closing Net Worth as per balance sheet of the relevant period

[9]Net Interest Income represents Total Income reduced by finance costs in such period

[10]Average AUM is calculated as average of opening and closing AUM of the relevant period

[11]On-book Portfolio represents the aggregate of future principal outstanding and overdue principal outstanding, if any, for all loan assets under management which includes loan assets held by the Company as of the last day of the relevant period and are outstanding as of the last day of the relevant period

[12]Average On-book Portfolio is calculated as average of opening and closing On-book Portfolio of the relevant period

[13]Net Interest Margin represents the difference between the Gross Yield and the Financial Cost Ratio

[14] Operating Expenses is calculated as total expenses including depreciation but excluding credit cost and finance costs

[15] Operating Expenses Ratio represents the ratio of the Operating Expenses (expenses including depreciation but excluding credit cost and finance costs) to the Average AUM (average of opening and closing AUM of the relevant period)

[16] Cost to Income Ratio represents operating expense (defined as above) divided by NII (defined above)

[17] Impairment of financial instruments implies credit costs (excluding provision made under FLDG arrangement)

[18] Credit Cost implies Impairment of financial instruments including provision made under FLDG arrangement

[19] Profit/(Loss) After Tax represents our profit/(loss) for the period

[20] Provisioning represents the impairment on On-book Portfolio loans based on the ECL methodology

[21] Net Worth represents sum of other equity and equity share capital as of the last day of the relevant period

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Performance and growth of the Indian microfinance industry and Indian economy

As a NBFC-MFI, our Company is impacted and will continue to be impacted by the performance of the microfinance industry in India, especially in rural and semi-urban India where our operations are focused. The low penetration of banking credit in rural India provides an opportunity for all lending and deposit accepting financial institutions to expand their businesses in rural areas. In Fiscal 2023, the overall microfinance industry portfolio outstanding grew 36.00% on-year. Going forward, the overall microfinance industry is expected to see strong growth on back of government's continued focus on strengthening the rural financial ecosystem, strong credit demand, and higher ticket sized loans disbursed by microfinance lenders. (*Source: CRISIL Report*)

However, certain events in the past have disrupted the growth of the microfinance industry and adversely impacted the overall industry's disbursements as well as repayment and collection efficiency rates. For example, in November 2016, the Indian government announced the demonetization of bank notes of ₹500 and ₹1,000. Around 86.00% of Indian currency in terms of value was removed from circulation. Subsequently, the outbreak of the COVID-19 pandemic had impacted the Indian economy and our industry. Any such disruptive events in the future may adversely affect our results of operations. See also "***Industry Overview***" on page 172. Further, as our primary focus is providing microfinance-loans to women in rural and semi-urban areas, our results of operations are particularly affected by the performance and the future growth potential of microfinance in rural and semi-urban India. According to CRISIL, with increasing focus of government towards financial inclusion, rising financial awareness, increasing smartphone and internet penetration, delivery of credit services in rural area to increase. Further, usage of alternative data to underwrite customers will also help the financiers to assess customers and cater to the informal sections of the society in these regions (*Source: CRISIL Report*). As of September 30, 2023, 75.89% of our AUM was from rural areas. We expect to benefit from the expected growth potential for microfinance in rural and semi-urban India. On the other hand, we are also exposed to the general risks relating to the microfinance industry and our rural and semi-urban customer segment. For instance, our microfinance clients typically have limited sources of income, savings and credit histories and our microfinance loans are typically provided free of collateral. Such clients generally do not have a high level of financial resilience, and, as a result, they can be adversely affected by declining economic conditions and natural calamities. In addition, we rely on non-traditional guaranteed mechanisms rather than tangible assets as collateral, which may not be effective in recovering the value of our loans. For a discussion of the risks relating to the nature of microfinance loans, see "***Risk Factors – Internal Risks – Risks Relating to our Business and Industry – Non-payment or default owing to the profile of borrowers in the microfinance industry, whom we service, may adversely affect our business, results of operations, cash flows and financial condition***" on page 79. As a financial institution operating in India, our financial condition and results of operations are also influenced by the general economic conditions and particularly macroeconomic conditions in India. Key macroeconomic factors that may affect the Indian economy and, in turn, demand for our loan products and the quality of our loan portfolio include, among others, (i) demographic conditions and population dynamics, (ii) economic development, shifting of wealth and employment rates, (iii) political measures and regulatory developments, such as tax incentives and general political stability, (iv) fiscal and monetary dynamics, such as volatility in interest rates, foreign exchange rates and inflation rates, (v) political and regulatory developments on the Indian economy, and (vi) major public health issues such as the recent COVID-19 pandemic.

Geographic reach and ability to deliver new products in different geographies

We provide microfinance loans to economically active women in both rural and semi-urban areas, who otherwise have limited access to mainstream financial credit products. As of September 30, 2023, we have 32.10 lakhs active customers and 33.35 lakhs loan accounts, who are served by our 1,335 branches situated in 412 districts and about 96,000 villages across 24 Indian states and union territories. We also offer a bouquet of financial products across segments, comprising of loans to MSMEs, affordable housing loans, and business correspondent services (*Source: CRISIL Report*). We focus on regions with limited availability of financial services and hence provide an opportunity for accessing our micro-finance products. Our deep penetration in rural areas, built through our comprehensive branch-based expansion strategy has driven our revenue growth in prior periods and provides us with significant scale and diversification benefits. Further, our products are built on a deep understanding of the requirements of our customers from rural and semi-urban areas. Our wide range of products addresses the critical needs of our customers and includes income generation, home improvement, green energy, transportation and sanitation loans. For further details, see "***Our Business - Our Products***" on page 232. We believe that our diverse product portfolio provides us with cross selling opportunities by allowing us to leverage our large client base and rural outreach and capitalize on our existing branch network and customer base (thereby driving revenue growth) and also lower credit costs.

Availability of cost-effective sources of funding and fluctuations in interest rates

The liquidity and profitability of our business depend, in large part, on our timely access to, and the costs associated with, raising funds. As of September 30, 2023, we had total borrowings amounting to ₹ 7,28,286.94 lakhs, comprising debt securities amounting to ₹ 81,922.60 lakhs and borrowings (other than debt securities) and Subordinated liabilities amounting to ₹ 6,46,364.34 lakhs.

We have access to diverse sources of liquidity, including from both domestic and international financial markets. Our primary sources of funds include term loans from banks and financial institutions, NCDs, ECBs, sub-debt and PTCs. As of September 30, 2023, we had a large and diversified network of more than 70 lenders comprising a range of public banks, private banks, NBFCs, domestic financial institutions and overseas funds. We believe that having such a diversified debt profile ensures we are not overly dependent on any one type or source for funding and enables us to optimize our cost of borrowings, funding and liquidity requirements, capital management and asset liability management. The diversification of the sources of funds has contributed to an overall reduction in the cost of borrowings and have allowed us to strengthen our liquidity position. Our Average Cost of Borrowings, as a percentage of the average borrowings, in Fiscal 2021, 2022, 2023 and the six months ended September 30, 2022, and September 30, 2023, was 10.19%, 10.87%, 10.34%, 5.44% and 5.48% respectively, while our incremental cost of borrowing, as a percentage of our average borrowings in the same periods were 10.48%, 9.81%, 10.75%, 10.18% and 11.04%, respectively. In order to further reduce our borrowing costs, we have also securitized and assigned through bilateral transactions a certain portion of the receivables from our loan portfolio to banks and other institutions.

Our ability to meet demand for new loans will depend on our ability to obtain financing on acceptable and cost-effective terms. Our debt service costs, and overall cost of borrowings depend on many external factors, including developments in the Indian credit markets, in particular interest rate movements and the existence of adequate liquidity in the debt markets, monetary policies of the RBI, as well as domestic and international economic and political conditions and external interventions. Internal factors that affect our cost of borrowings include our credit ratings, cash flows and available credit limits.

In addition, our results of operations are affected to a large extent on the level of our net interest income, which represents the difference between the interest rates that we charge on loans (i.e., interest income on loan portfolio) and the interest rates that we pay on interest-bearing liabilities (i.e., finance costs). Consequently, we also depend substantially on our ability to effectively manage our finance costs and the impact of fluctuations in interest rates. The negative carry on the excess liquidity also impacts our results of operations.

Asset quality and provisioning

Our ability to manage the credit quality of our loans, which we measure in part through NPAs, is a key driver of our results of operations. Credit quality is the outcome of the credit appraisal mechanism and recovery system followed by us. Our target borrower segment for microfinance loans comprises women, with an annual household income of up to ₹ 3 lakhs and we undertake due diligence to ensure that the household debt repayment commitments of the borrower is not more than 50% of the income. These borrowers generally have limited sources of income and credit histories, and may not have tax returns, bank or credit card statements, statements of previous loan exposures, or other documents through which we can accurately assess their credit worthiness. As a result, such borrowers may pose a higher risk of default than borrowers with greater financial resources and more established credit histories, or those with better access to education, employment opportunities and social services. Since these advances are unsecured, in the event of defaults by such borrowers, our ability to realise the amounts due to us would be limited. Thus, due to the nature of our borrowers, we may experience increased levels of NPAs and related provisions and write-offs. Our credit quality is also susceptible to external events that impact the industry as a whole. The asset quality of our housing finance and MSME business loans are also critical for our business and results of operations.

Our asset quality is dependent upon our credit appraisal processes and recovery mechanisms. With the growth of our business, our ability to manage the quality of our loans through risk management measures will be a key driver to our results of operations, as quality loans help reduce the risk of losses from loan impairment and write-offs.

Our ability to reduce or contain the level of our NPAs is also dependent on a number of factors beyond our control, such as increased competition, adverse effect on the business and results of operations of our borrowers, a rise in unemployment, a sharp and sustained rise in interest rate, slow industrial and business growth, changes in borrower behavior and demographic patterns, central and state government decisions and changes in regulations. Additionally, certain provisioning norms are applicable to NBFCs, under applicable accounting standards and directions issued by the RBI. Any increase in the level of final credit losses or an inability to maintain our asset quality may adversely affect our NPA levels and require us to increase our provisions and write-offs.

Government policy and regulatory framework

Our results of operations and continued growth depend on government policies and regulation. As a NBFC-MFI, our Company will continue to be affected by a number of regulations promulgated by the RBI that regulate, among other things, the classification of qualifying assets, NPA and standard assets provisioning norms, capital adequacy norms, priority sector lending, risk weight on unsecured loans and lending by banks to NBFC and other lending stipulations and other operational restrictions. Any change in the regulatory framework affecting NBFC MFIs, and in particular those requiring maintaining certain financial ratios, accessing funds or lending to NBFCMFIs by banks among others including priority-sector lending norms, would adversely affect our results of operations and growth. Our Subsidiaries are also regulated by the RBI.

Our ability to manage operating-expenses

Controlling our operating expenses is critical in determining our ability to offer loan products at competitive rates to our customers and in maintaining our profitability. We intend to further grow our business operations by penetrating deeper and attracting new customers in our existing markets that remain relatively untapped as well as entering new regions where borrowers are underserved and there is lower penetration by microfinance companies. Our results of operations will therefore be affected by our ability to manage operating expenses, which comprise employee benefits expenses, depreciation and amortization and other expenses. As we expand our core business and our product offerings to our borrowers, we will need to increase headcount by adding relationship officers, branch managers, area managers and other support staff which would, in turn, lead to an increase in employee benefits expenses.

Currently, the operating expense of our housing finance and MSME finance business are high due to lower level of operations. Going forward, as we further increase our loan portfolio and expand our operations, we expect to derive benefits from economies of scale, which we believe will assist us in optimizing our operating expenses. We expect to derive scale and cost benefits, as there is no incremental sourcing cost for existing customers, and they may be eligible to borrow higher loan amounts from us since they have progressed to higher loan cycles. We focus on the retention of existing clients by timely disbursement of loans and also on acquiring new clients by leveraging our existing and new branch infrastructure. Further, we continue to identify and implement measures that we believe will enable us to sustain and further decrease the ratio of our operating expenses to our total revenue. We also continue to invest in our technology platform and technology-enabled operating procedures to increase operational and management efficiencies. Any failure to derive benefits or utilize technology to maintain or lower our operating margins will adversely affect our profitability.

Competition

We operate in a highly competitive environment, and we expect competition to intensify in the future. Our competitors include established commercial banks, microfinance companies, NBFCs, HFCs, small finance banks etc. We may also face competition from unorganized smaller market participants who are prevalent in semi-urban and rural areas, local money lenders in rural areas that are also focused on lending to underserved segments and micro, small and medium enterprises. Our clients are also prone to borrowing from unregulated local money lenders and non-institutional lenders which may lend at higher rates of interest. In the organized sector, many of the institutions with which we compete may have greater assets and better access to, and lower costs of, funding than we do. In certain areas, they may also have better brand recognition and larger client bases than us. Further, our housing finance and MSME business face competition from peers in retaining existing customers on account of better terms being offered by competitors once repayment track record is established. Any increase in competition may reduce our market share, decrease growth in our business, increase operating expenses and reduce our customer base, which could adversely affect our financial condition and results of operations.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Group overview

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

The Parent Company owns 100.00% equity shares of Satin Housing Finance Limited ("SHFL"). The SHFL is engaged in the business of providing long term finance to individuals, companies, corporations, societies or association of persons for purchase/construction/repair and renovation of new/existing flats/houses for residential purposes.

The Parent Company owns 100.00% equity shares of Satin Finserv Limited ("SFL"). The SFL is engaged in the business of providing various financial services to small entrepreneurs, MSMEs, Indian consumers and other eligible consumers as permissible under applicable laws.

2. A. Basis of preparation

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

The consolidated financial statements ("the Financial Statements") have been prepared in accordance with the Indian Accounting Standards ('Ind AS') as notified by Ministry of Corporate Affairs ('MCA') under Section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time. The Group has uniformly applied the accounting policies for all the periods presented in the Financial Statements.

(ii) Historical cost convention

The Financial Statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India. Further, the Financial Statements have been prepared on a historical cost basis, except for fair value through other comprehensive income (FVOCI) instruments, derivative financial instruments, and financial assets and liabilities designated at fair value through profit or loss (FVTPL), all of which have been measured at fair value. Further the carrying values of recognised assets and liabilities that are hedged items in fair value hedges, and otherwise carried at amortised cost, are adjusted to record changes in fair value attributable to the risks that are being hedged.

(iii) Going Concern

Management is of the view that having regard to the projections of the business prospects, Group shall be able to continue as a going concern. Accordingly, management considers it appropriate to prepare these financials statements on a going concern basis.

B. Basis of consolidation

The consolidated financial statements comprised financial statements of the Company and its subsidiaries, subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. The Group can have power over the investee even if it owns less than majority voting rights i.e. rights arising from other contractual arrangements. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. Statement of profit and loss (including other comprehensive income ('OCI')) of subsidiaries acquired or disposed of during the period are recognized from the effective date of acquisition, or up to the effective date of disposal, as applicable.

The Group combines the financial statements of the Parent Company and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's statement of profit and loss and net assets that is not held by the Group. Statement of profit and loss balance (including other comprehensive income ('OCI')) is attributed to the equity holders of the Parent Company and to the non-controlling interest basis the respective ownership interests and such balance is attributed even if this results in controlling interests having a deficit balance.

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. Such a change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognized within equity.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Parent Company's accounting policies. All intra-group assets, liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

3. Summary of significant accounting policies

The financial statements have been prepared using the significant accounting policies and measurement bases summarised as below. These policies are applied consistently for all the periods presented in the financial statements.

a) Property, plant and equipment

Recognition and initial measurement

Property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance costs are recognised in statement of profit and loss.

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

Property, plant and equipment are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation on property, plant and equipment is provided on the written down value method over the useful life of the assets estimated by the management. The useful life estimated by the management is as under:

Asset class	Useful life
Building	60 years
Electrical equipment	10-25 years
Office equipment	5 years
Computer equipment	3-6 years
Furniture and fixtures	10 years
Vehicles	8-10 years

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

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

De-recognition

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

Capital work-in-progress

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

b) Investment property

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.
The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in statement of profit or loss as incurred.

The Group depreciates building component of investment property over 60 years from the date of original purchase. Though the Group measures investment property using cost-based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in statement of profit or loss in the period of de-recognition.

c) Intangible assets

Recognition and initial measurement

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

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

Intangible assets are amortised over a period of 3-5 years from the date when the assets are available for use. The estimated useful life (amortisation period) of the intangible assets is arrived basis the expected pattern of consumption of economic benefits and is reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

d) Intangible assets under development

Intangible assets under development represents expenditure incurred in respect of intangible assets under development and are carried at cost. Cost includes development cost, borrowing costs and other direct expenditure necessary to create, produce and prepare the asset to be capable of operating in the manner intended by management. These are recognised as assets when the Group can demonstrate following recognition requirements:

- The development costs can be measured reliably
- The project is technically and commercially feasible
- The Group intends to and has sufficient resources to complete the project
- The Group has the ability to use or sell such intangible asset
- The asset will generate probable future economic benefits.

Amortisation of the asset begins when development is complete, and the asset is available for use.

e) Revenue recognition

Interest income on loans

The Group recognises interest income using Effective Interest Rate (EIR) on all loan assets subsequently measured at amortised cost or fair value through other comprehensive income (FVOCI). EIR is calculated by considering any fees and all incremental costs that are directly attributable to acquisition of a loan asset and it represents a rate that exactly discounts estimated future cash payments/receipts through the expected life of the loan asset to the gross carrying amount of a loan asset.

The Group recognises interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. In case of credit-impaired financial assets regarded as ‘Stage 3’, the Group recognises interest income on the net amortised cost of loan assets at EIR. If financial asset is no longer credit-impaired Group reverts to calculating interest income on a gross basis.

Income from assignment transactions

Income from assignment transactions i.e., present value of excess interest spread is recognised when the related loan assets are de-recognised. Interest income is also recognised on carrying value of remaining assets over the outstanding period of such assets.

Service/commission income

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of services rendered is net of variable consideration on account of various discounts and schemes offered by the Group as part of the contract.

Dividend income

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

Miscellaneous income

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

f) Borrowing costs

Borrowing costs consists of interest and other cost that the Group incurred in connection with the borrowing of funds. Borrowing costs that are directly attributable to the acquisition, construction, or production of a qualifying asset form part of the cost of that asset. All other borrowing costs are charged to the Statement of Profit and Loss on the basis of effective interest rate method.

g) Taxation

I. **Current tax**: Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, in accordance with the Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS) prescribed therein. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.
Current tax relating to items recognised outside profit or loss is recognised in correlation to the underlying transaction either in OCI or directly in other equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

II. **Deferred Tax:** Deferred tax is provided using the Balance Sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for deductible temporary differences to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets, if any, are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be utilised.

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

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority. Tax expense recognized in Statement of Profit and Loss comprises the sum of deferred tax and current tax except to the extent it recognized in other comprehensive income or directly in equity.

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

h) Employee benefits

Short-term employee benefits

Short-term employee benefits including salaries, short term compensated absences (such as a paid annual leave) where the absences are expected to occur within twelve months after the end of the period in which the employees render the related service, profit sharing and bonuses payable within twelve months after the end of the period in which the employees render the related services and non-monetary benefits for current employees are estimated and measured on an undiscounted basis.

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

Defined contribution plans

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

Defined benefit plans

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

Other long-term employee benefits

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

i) Share based payments

The Parent Company has formulated an Employees Stock Option Scheme to be administered through a Trust. The stock options granted to employees pursuant to the Parent Company's Stock Options Schemes, are measured at the fair value of the options at the grant date. The fair value of options granted under Employee Stock Option Plan is recognised as an employee benefits expense with a corresponding increase in other equity. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the Parent Company revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in Statement of Profit and Loss, with a corresponding adjustment to equity.

j) Impairment of non-financial assets

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. Recoverable amount is higher of an asset's fair value less cost of disposal and its value in use. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the reporting date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed, and the asset is reflected at the recoverable amount.

Compensation for impairment

Compensation from third parties for items of property, plant and equipment that were impaired, lost or given up are recognised in statement of profit and loss when the compensation becomes receivable.

Financial Guarantees

Financial guarantees are initially recognised at fair value. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

The premium received (if any) is recognised as income on a straight-line basis over the life of the guarantee.

k) Impairment of financial assets

The Group is recording the allowance for expected credit losses for all loans at amortised cost and FVOCI and other financial assets at FVTPL.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL). The Group's policies for determining if there has been a significant increase in credit risk.

Loan assets

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

- Stage 1 (1-30 days) includes loan assets that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date.
- Stage 2 (31-90 days) includes loan assets that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment.
- Stage 3 (more than 90 days) includes loan assets that have objective evidence of impairment at the reporting date.

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

Probability of Default (PD) - The PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months (12 months PD), or over the remaining lifetime (Lifetime PD) of the obligation.

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

Exposure at Default (EAD) – EAD is based on the amounts the Group expects to be owed at the time of default.

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

Trade receivables

In respect of trade receivables, the Group applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of trade receivables.

Other financial assets

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

When making this assessment, the Group uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Group compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Group assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

Write-offs

Financial assets are written off either partially or in their entirety to the extent that there is no realistic prospect of recovery. Any subsequent recoveries are credited to impairment on financial instrument on statement of profit and loss.

l) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand (including imprest), demand deposits and short-term highly liquid investments (certificate of deposits and commercial paper) that are readily convertible into known amount of cash and which are subject to an insignificant risk of changes in value. The Group has netted off the balance of bank overdraft with cash and cash equivalents for cash flow statement as they are considered an integral part of the Group's cash management.

m) Equity investment in subsidiaries

Investments representing equity interest in subsidiaries are accounted for at Fair Value through Profit and Loss (FVTPL) in accordance to Ind AS 109 read with Ind AS 27 Separate Financial Statements.

n) Provisions, contingent assets and contingent liabilities

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

Contingent liability is disclosed for:

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

Contingent assets are not recognised but disclosed where an inflow of economic benefits is probable.

o) Leases

Group **as a lessee**

A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Group assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract the Group has the right to direct the use of the identified asset throughout the period of use

The Group assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured the present value of the lease payments unpaid at that date, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate.
Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured

to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in statement of profit or loss on a straight-line basis over the lease term.

Determining the lease term of contracts with renewal and termination options where Group is lessee - The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination.

Group as lessor:

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

Classification of leases – The Group enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

p) Financial instruments

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs. However, trade receivable that do not contain a significant financing component are measured at transaction price. Subsequent measurement of financial assets and financial liabilities is described below.

Non-derivative financial assets

Subsequent measurement

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

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

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the Statement of Profit and Loss.

ii. **Financial assets are measured at FVOCI when both of the following conditions are met:** – a financial asset is measured at the FVOCI if both the following conditions are met:

- The instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets
- The contractual terms of the financial asset meet the SPPI test

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI. Interest income are recognised in profit or loss in the same manner as for financial assets measured at amortised cost.

Investment in security receipts issued by trust floated by asset reconstruction companies are accounted for at fair value through other comprehensive income (FVOCI).

iii. **Investments in equity instruments** – Investments in equity instruments which are held for trading are classified as at fair value through profit or loss (FVTPL). For all other equity instruments, the Group makes an irrevocable choice upon initial recognition, on an instrument-by-instrument basis, to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL). Amounts presented in other comprehensive income are not subsequently transferred to profit or loss. However, the Group transfers the cumulative gain or loss within equity. Dividends on such investments are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

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

v. **Financial assets measured at FVPL**– FVPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL, with all changes recognized in the Statement of Profit & Loss.

De-recognition of financial assets

Financial assets (or where applicable, a part of financial asset or part of a group of similar financial assets) are de-recognised (i.e., removed from the Group's balance sheet) when the contractual rights to receive the cash flows from the financial asset have expired, or when the financial asset and substantially all the risks and rewards are transferred. Further, if the Group has not retained control, it shall also de-recognise the financial asset and recognise separately as assets or liabilities any rights and obligations created or retained in the transfer.

Non-derivative financial liabilities

Subsequent measurement

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

De-recognition of financial liabilities

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

First loss default guarantee

First loss default guarantee contracts are contracts that require the Group to make specified payments to reimburse the banks for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of the agreements. Such financial guarantees are given to banks, for whom the Group acts as 'Business Correspondent'.

These contracts are initially measured at fair value and subsequently measure at higher of:

- The amount of loss allowance (calculated as described in policy for impairment of financial assets)
- Maximum amount payable as on the reporting date to the bank which is based on the amount of loans overdue for more than 75/90 days in respect to agreements with banks.

Further, the maximum liability is restricted to the cash outflow agreed in the agreement.

Compound financial instruments

Optionally convertible instruments are separated into liability and equity components based on the terms of the contract. On issuance of the said instruments, the liability component is arrived by discounting the gross sum (including redemption premium, if any) at a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost until it is extinguished on conversion or redemption. The remainder of the proceeds is recognised as equity component of compound financial instrument. This is recognised and included in shareholders' equity, net of income tax effects, and not subsequently re-measured.

Offsetting of financial instruments

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

Derivative contracts

The Group enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit and loss using mark to market information.

Fair value measurement

The Group measures financial instruments at fair value at each balance sheet date using valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

a) In the principal market for the asset or liability, or
b) In the absence of a principal market, in the most advantageous market for the asset or liability.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured are categorised with fair value hierarchy into Level I, Level II and Level III based on level of input.

q) Earnings per share

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

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

r) Segment reporting

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

s) Foreign currency

Functional and presentation currency

Items included in the financial statement of the Group are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements have been prepared and presented in Indian Rupees (₹), which is the Group's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency, by applying the exchange rates on the foreign currency amounts at the date of the transaction. Foreign currency monetary items outstanding at the balance sheet date are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the Statement of Profit and Loss in the year in which they arise.

t) Government grants

Grants and subsidies from the government are recognised when there is reasonable assurance that (i) the Group will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.
Grant or subsidy relates to revenue, it is recognised as income on a systematic basis in statement of profit or loss over the periods necessary to match them with the related costs, which they are intended to compensate.

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

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

Significant management judgements

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

Business model assessment - The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortised cost that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group 's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and accordingly prospective change to the classification of those assets are made.

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

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

- Determining criteria for significant increase in credit risk;

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

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

Significant estimates

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

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

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

v) Statement of Cash Flows

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method adjusting the net profit for the effects of:

I. Changes during the period in operating receivables and payables transactions of a non-cash nature;
II. Non-cash items such as depreciation, provisions, deferred taxes, unrealised foreign currency gains and losses; and
III. All other items for which the cash effects are investing or financing cash flows.

CHANGES IN ACCOUNTING POLICIES

Except as mentioned below, there have been no changes to the accounting policies of the Company in the past three financial years and as at and for the half year ended September 30, 2023:

Financial Year/period	**Changes in accounting policy**	**Effect on profits and reserves of Company**
Half Year ended September 30, 2023	NIL	NIL
FY 2023	Fair Valuation of Investment in Subsidiaries from amortised cost basis to fair value through profit and loss (FVTPL) basis	Increase in profit by ₹ 35,215.77 lakhs
FY 2022	NIL	NIL
FY 2021	NIL	NIL

PRINCIPAL COMPONENTS OF INCOME AND EXPENDITURE

Income

Our total income comprises (i) revenue from operations, and (ii) other income.

Revenue from operations

Revenue from operations comprises (i) interest income; (ii) dividend income; (iii) rental income; (iv) fees and commission income; (v) net gain on fair value changes; (vi) net gain on derecognition of financial instruments; and (vii) other operating income.

Interest Income: Our interest income primarily comprises (a) interest income on portfolio loans; (b) income from housing loans; (c) interest income on deposits; (c) interest income on certificate of deposits and commercial papers; and (d) interest income on unwinding of assigned portfolio.

Fees and Commission Income: Our fees and commission income comprises (a) service fees and facilitation charges; and (b) income from business correspondent operations.

Other Income

Other income includes (i) promotion of financial products; (ii) net gain on derecognition of property, plant and equipment; (iii) net gain on termination of leases; (iv) interest income on income- tax refund; and (v) miscellaneous income.

Expenses

Our expenses comprises (i) finance costs; (ii) impairment on financial instruments; (iii) employee benefit expenses; (iv) depreciation and amortisation expense; and (v) other expenses.

Finance costs

Finance costs consists of (i) interest on borrowings (other than debt securities); (ii) interest on debt securities; (iii) interest on subordinate liabilities; (iv) interest expense for leasing arrangements; (v) other interest expenses; and (vi) bank charges.

Impairment on financial instruments

Impairment on financial instruments consists of (i) loans written off; (ii) impairment loss allowance on trade receivable and other receivable; and (iii) Impairment loss allowance on housing and other loans.

Employee benefit expenses

Employee benefit expenses refer to (i) salaries, wages and bonus; (ii) contribution to provident and other funds; (iii) share based payment to employees; and (iv) staff welfare expenses.

Depreciation and amortization expense

Depreciation and amortization expense comprises (i) depreciation on property, plant and equipment; (ii) depreciation on right-of-use assets; (iii) depreciation on investment property; and (iv) amortisation on intangible assets.

Other expenses

Other expenses comprise (i) travelling and conveyance; (ii) legal and professional charges; (iii) insurance; (iv) rent; (v) auditor's fee and expenses; (vi) rate and taxes; (vii) repair and maintenance; (viii) director's fees, allowances and expenses; (ix) software expenses; (x) documentation charges; (xi) corporate social responsibility; (xii) net loss on derecognition of property, plant and equipment; (xiii) property, plant and equipment written off; (xiv) printing and stationery; (xv) communication costs; (xvi) write off against first loss default guarantee; (xvii) first loss default guarantee expenses; (xviii) website and maintenance charges; (xix) advertisement and publicity; (xx) cash embezzlement; (xxi) other administrative expenses; (xxii) miscellaneous expenses.

RESULTS OF OPERATIONS

Six months ended September 30, 2023 compared to September 30, 2022

The following table sets forth certain information with respect to our results of operations on a consolidated basis for the six months ended September 30, 2023, and September 30, 2022.

Particulars	Six months ended			
	September 30, 2023		September 30, 2022	
	(₹ lakhs)	% of total income	(₹ lakhs)	% of total income
Income				

Particulars	Six months ended			
	September 30, 2023		September 30, 2022	
	(₹ lakhs)	% of total income	(₹ lakhs)	% of total income
Revenue from Operations				
Interest income	85,352.62	85.58%	59,697.82	84.56%
Dividend income	-	-	0.17	0.00%
Rental income	20.30	0.02%	4.04	0.01%
Fees and commission income	3,061.19	3.07%	4,003.58	5.67%
Net gain on fair value charges	372.85	0.37%	1,409.48	2.00%
Net gain on derecognition of financial instruments	10,416.31	10.44%	5,291.19	7.49%
Other operating income	287.32	0.29%	37.71	0.05%
Total revenue from operations	**99,510.59**	**99.77%**	**70,443.99**	**99.78%**
Other income	225.58	0.23%	152.90	0.22%
Total Income	**99,736.17**	**100.00%**	**70,596.89**	**100.00%**
Expenses				
Finance costs	40,216.83	40.32%	30,371.49	43.02%
Impairment of financial instruments	4,657.46	4.67%	33,747.25	47.80%
Employee benefit expenses	21,474.87	21.53%	19,365.99	27.43%
Depreciation and amortization expense	1,042.24	1.04%	668.01	0.95%
Other expenses	6,281.83	6.30%	6,968.14	9.87%
Total	**73,673.23**	**73.87%**	**91,120.88**	**129.07%**
Profit/(loss) before tax	**26,062.94**	**26.13%**	**(20,523.99)**	**(29.07)%**
Tax expense				
Current tax	106.86	0.11%	130.44	0.18%
Deferred tax	6,491.12	6.51%	(5,404.39)	(7.66)%
Total tax expense	**6,597.98**	6.62%	**(5,273.95)**	(7.47)%
Profit/(loss) after tax	**19,464.96**	19.52%	**(15,250.04)**	(21.60)%
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Re-measurements of the defined benefit plans	(33.21)	(0.03)%	(72.93)	(0.10)%
Equity instruments through other comprehensive income	(1,877.56)	(1.88)%	-	-
Income tax relating to above items	480.20	0.48%	19.22	0.03%
Items that will be reclassified to profit and loss				
Changes in fair value of loan assets	531.81	0.53%	203.63	0.29%
Income tax relating to above item	(133.84)	(0.13)%	(51.32)	(0.07)%
Cash flow hedge reserve	-	-	(27.48)	(0.04)%
Income tax relating to above item	-	-	6.92	0.01%
Other comprehensive income	**(1,032.60)**	(1.04)%	**78.04**	0.11%
Total comprehensive income	**18,432.36**	18.48%	**(15,172.00)**	(21.49)%
Net profit/(loss) after tax attributed to				
Owners of the Parent Company	19,464.96	19.52%	(15,250.04)	(21.60)%
Non-controlling interests	-	-	-	-

Particulars	Six months ended			
	September 30, 2023		September 30, 2022	
	(₹ lakhs)	% of total income	(₹ lakhs)	% of total income
Earnings per equity share (face value of ₹ 10 per equity share)*				
Basic (₹)	21.20		(20.31)	
Diluted (₹)	21.20		(20.31)	

**EPS figures provided are absolute numbers*

SIX MONTHS ENDED SEPTEMBER 30, 2023 COMPARED TO SIX MONTHS ENDED SEPTEMBER 30, 2022

Total Income

Total income increased by 41.28 % from ₹ 70,596.89 lakhs in six months ended September 30, 2022 to ₹ 99,736.17 lakhs in six months ended September 30, 2023, primarily due to an increase in our revenue from operations during the period and net gain on derecognition of financial instruments.

Revenue from operations

Revenue from operations increased by 41.26% from ₹ 70,443.99 lakhs in six months ended September 30, 2022 to ₹ 99,510.59 lakhs in six months ended September 30, 2023, primarily due to increase in:

(i) interest income by 42.97% from ₹ 59,697.82 lakhs for six months ended September 30, 2022 to ₹ 85,352.62 lakhs for six months ended September 30, 2023, primarily on account of increase in (a) interest income on portfolio loans (on financial assets measured at amortized cost) by 78.87% from ₹ 13,194.94 lakhs for six months ended September 30, 2022 to ₹ 23,601.54 lakhs for six months ended September 30, 2023 driven primarily by increase in lending rates**;** (b) interest income on portfolio loans (on financial assets measured classified at FVOCI) by 35.33% from ₹ 39,320.23 lakhs for six months ended September 30, 2022 to ₹ 53,212.31 lakhs for six months ended September 30, 2023 driven primarily by increase in lending rates; (c) interest income on deposits (on financial assets measured at amortized costs) by 38.06% from ₹ 2,311.74 lakhs for six months ended September 30, 2022 to ₹ 3,191.48 lakhs for six months ended September 30, 2023 driven primarily by increase in amounts of fixed deposits held by the company; interest income on certificate of deposits, commercial papers, T-Bill and NCD's (on financial assets measured classified at FVTPL) by 111.99% from ₹ 123.24 lakhs for six months ended September 30, 2022 to ₹ 261.26 lakhs for six months ended September 30, 2023; and interest income on unwinding of assigned portfolio (on financial assets measured at amortised cost) by 149.53% from ₹ 757.33 lakhs for six months ended September 30, 2022 to ₹ 1,889.76 lakhs for six months ended September 30, 2023 on account of increase in direct assignment transactions in the comparative period. This was partially offset by decrease in income from housing loans (on financial assets measured classified at FVOCI) by 19.90 % from ₹ 3,990.34 lakhs for six months ended September 30, 2022 to ₹ 3,196.27 lakhs for six months ended September 30, 2023, primarily on account of direct assignment by SHFL and corresponding decrease in on book income from housing loans.

(ii) rental income by 402.48% from ₹ 4.04 lakhs for six months ended September 30, 2022 to ₹ 20.30 lakhs for six months ended September 30, 2023;

(iii) Net gain on derecognition of financial instruments by 96.86% from ₹ 5,291.19 lakhs for six months ended September 30, 2022 to ₹ 10,416.31 lakhs for six months ended September 30, 2023 on account of increase in total amount of direct assignment transaction from ₹ 86,709.47 lakhs during period ended September 2022 to ₹ 1,17,532.39 lakhs during period ended September 2023; and

(iv) other operating income by 661.92 % from ₹ 37.71 lakhs for six months September 30, 2022 to ₹ 287.32 lakhs for six months ended September 30, 2023.

This was partially offset by the decrease in (i) fees and commission income by 23.54 % from ₹ 4,003.58 lakhs for six months September 30, 2022 to ₹ 3,061.19 lakhs for six months ended September 30, 2023 primarily due to reduction of income of business correspondent operations primarily to meet the principal business criteria at SFL, i.e., SFL has to maintain more than 50% of its income as financial income and business correspondent income is not considered as financial income; and (iii) net gain on fair value changes by 73.55 % from ₹ 1,409.48 lakhs for six months September 30, 2022 to ₹ 372.85 lakhs for six months ended September 30, 2023 primarily on account of increase in valuation of derivative financial instruments.

Other Income

Other income increased by 47.53% from ₹ 152.90 lakhs for six months ended September 30, 2022 to ₹ 225.58 lakhs for six months ended September 30, 2023 primarily on account of increase in revenue from promotion of financial products at SHFL.

Total Expenses

Total expenses decreased by 19.15 % from ₹ 91,120.88 lakhs for six months ended September 30, 2022 to ₹ 73,673.23 lakhs for six months ended September 30, 2023. As a percentage of total income, our total expenses were 129.07 % for six months ended September 30, 2022 as compared to 73.87 % for six months ended September 30, 2023. .

Finance Costs (on financial assets measured at amortised costs)

Finance costs increased by 32.42 % from ₹ 30,371.49 lakhs for six months ended September 30, 2022 to ₹ 40,216.83 lakhs for six months ended September 30, 2023, which was primarily due to increase in (i) interest on borrowings (other than debt securities) by 52.23 % from ₹ 19,808.47 lakhs for six months September 30, 2022 to ₹ 30,153.53 lakhs for six months ended September 30, 2023 primarily due to overall increase in interest rate due to increase in policy rate by banks. Lenders have also increase risk premium on lending to NBFC-MFIs and other NBFCs post Covid-19; (ii) interest expenses for leasing arrangements by 204.19 % from ₹ 36.30 lakhs for six months September 30, 2022 to ₹ 110.42 lakhs for six months ended September 30, 2023; and (iii) other interest expenses by 2.96 % from ₹ 682.66 lakhs for six months September 30, 2022 to ₹ 702.86 lakhs for six months ended September 30, 2023; and (iv) bank charges by 23.32 % from ₹ 177.75 lakhs for six months September 30, 2022 to ₹ 219.21 lakhs for six months ended September 30, 2023.

This was partially offset by decrease in interest on subordinate liabilities by 23.14 % from ₹ 3,097.75 lakhs for six months ended September 30, 2022 to ₹ 2,380.90 lakhs for six months ended September 30, 2023.

Impairment on financial instruments

Impairment on financial instruments decreased substantially by 86.20 % from ₹ 33,747.25 lakhs for six months ended September 30, 2022 to ₹ 4,657.46 lakhs for six months ended September 30, 2023. This was primarily due to decrease in (i) loans written off (on financial assets measured at FVTOCI) by 89.76 % from ₹ 47,199.62 lakhs for six months ended September 30, 2022 to ₹ 4,831.27 lakhs for six months ended September 30, 2023 which was on account of improvement in portfolio quality post Covid-19. Further, majority of the write off was completed by September 30, 2022; (ii) loans written off (on financial assets measured at amortized cost) by 30.66 % from ₹ 117.52 lakhs for six months ended September 30, 2022 to ₹ 81.49 lakhs for six months ended September 30, 2023; (iii) impairment loss allowance on trade receivable and other receivable (on financial assets measured at amortised cost) by 127.38 % from ₹ 19.94 lakhs for six months ended September 30, 2022 to ₹ (5.46) lakhs for six months ended September 30, 2023 and (iv) impairment loss allowance on housing and other loans (on financial assets measured at FVTOCI) by 94.39 % from ₹ (13,766.76) lakhs for six months ended September 30, 2022 to ₹ (771.80) lakhs for six months ended September 30, 2023.

This was partially offset by increase in impairment loss allowance on housing and other loans (on financial assets measured at amortised cost) by 195.01 % from ₹ 176.93 lakhs for six months ended September 30, 2022 to ₹ 521.96 lakhs for six months ended September 30, 2023;

Employee benefit expense

Employee benefit expense increased by 10.89 % from ₹ 19,365.99 lakhs for six months September 30, 2022 to ₹ 21,474.87 lakhs for six months ended September 30, 2023, which was primarily on account of increase in number of branches, size of operations and salaries post covid- 19.

Depreciation and amortization expense

Depreciation and amortization expense increased by 56.02 % from ₹ 668.01 lakhs for six months September 30, 2022 to ₹ 1,042.24 lakhs for six months ended September 30, 2023, which was primarily on account of increase in number of branch leases getting covered under right of use assets and corresponding increase in depreciation for the same.

Other expenses

Other expenses decreased by 9.85 % from ₹ 6,968.14 lakhs for six months September 30, 2022 to ₹ 6,281.83 lakhs for six months ended September 30, 2023 which was primarily on account of reversal of FLDG expense.

Profit before tax

For the reasons discussed above, profit before tax increased substantially by 226.99 % from ₹ (20,523.99) lakhs for six months ended September 30, 2022 to ₹ 26,062.94 lakhs for six months ended September 30, 2023.

Tax expense

Our tax expense increased substantially by 225.11 % from ₹ (5,273.95) lakhs for six months ended September 30, 2022 to ₹ 6,597.98 lakhs for six months ended September 30, 2023. The Current tax expense decreased from ₹ 130.44 lakhs for six months ended September 30, 2022 as compared to ₹ 106.86 lakhs for six months ended September 30, 2023, and the deferred tax charge has increased from ₹ (5,404.39) lakhs for six months ended September 30, 2022 as compared to ₹ 6,491.12 lakhs for six months ended September 30, 2023.

Profit after tax for the six months period

For the various reasons discussed above, profit after tax for the six months period increased by 227.64 % from ₹ (15,250.04) lakhs for six months ended September 30, 2022 to ₹ 19,464.96 lakhs for six months ended September 30, 2023.

Fiscal 2023, 2022 and 2021

The following table sets forth certain information with respect to our result of operations on a consolidated basis for Fiscals 2023, 2022 and 2021.

Particulars	**Fiscal**					
	2023		**2022**		**2021**	
	(₹ lakhs)	**% of total income**	**(₹ lakhs)**	**% of total income**	**(₹ lakhs)**	**% of total income**
Income						
Revenue from Operations						
Interest income	1,24,896.84	80.11%	1,22,773.49	88.91%	1,16,716.44	84.57%
Dividend income	0.17	0.00%	3.15	0.00%	-	-
Rental income	38.28	0.02%	11.03	0.01%	-	-
Fees and commission income	7,674.41	4.92%	8,126.77	5.89%	9,555.96	6.92%
Net gain on fair value charges	1,415.45	0.91%	1,423.43	1.03%	-	-
Net gain on derecognition of financial instruments	21,571.16	13.84%	5,165.51	3.74%	11,191.52	8.11%
Other operating income	132.73	0.09%	176.60	0.13%	105.65	0.08%
Total revenue from operations	**1,55,729.04**	99.89%	**1,37,679.98**	99.70%	**1,37,569.57**	99.68%
Other income	173.29	0.11%	409.40	0.30%	448.11	0.32%
Total Income	**1,55,902.33**	100.00%	**1,38,089.38**	100.00%	**1,38,017.68**	100.00%
Expenses						
Finance costs	61,673.10	39.56%	62,590.71	45.33%	63,786.71	46.22%
Net loss on fair value changes	-	-	-	-	617.41	0.45%
Impairment of financial instruments	40,808.22	26.18%	18,073.66	13.09%	27,902.65	20.22%
Employee benefit expenses	38,760.29	24.86%	39,312.43	28.47%	33,732.52	24.44%
Depreciation and amortization expense	1,839.37	1.18%	1,574.02	1.14%	1,507.63	1.09%
Other expenses	12,297.28	7.89%	13,120.70	9.50%	11,446.15	8.29%

Particulars	Fiscal					
	2023		2022		2021	
	(₹ lakhs)	% of total income	(₹ lakhs)	% of total income	(₹ lakhs)	% of total income
Total	**1,55,378.26**	99.66%	**1,34,671.52**	97.52%	**1,38,993.07**	100.71%
Profit/(loss) before tax	**524.07**	0.34%	**3,417.86**	2.48%	**(975.39)**	-0.71%
Tax expense						
Current tax	(48.89)	(0.03)%	3,402.70	2.46%	5,194.10	3.76%
Deferred tax	91.65	0.06%	(2,054.73)	(1.49)%	(4,771.27)	(3.46)%
Total tax expense	**42.76**	0.03%	**1,347.97**	0.98%	**422.83**	0.31%
Profit/(loss) after tax	**481.31**	0.31%	**2,069.89**	1.50%	**(1,398.22)**	(1.01)%
Other comprehensive income						
Items that will not be reclassified to profit or loss						
Re-measurements of the defined benefit plans	(47.92)	(0.03)%	19.57	0.01%	(111.96)	(0.08)%
Equity instruments through other comprehensive income	(2,731.61)	(1.75)%	-	-	-	-
Income tax relating to above items	699.85	0.45%	(5.11)	0.00%	28.84	0.02%
Items that will be reclassified to profit and loss						
Changes in fair value of loan assets	44.87	0.03%	(3,915.05)	(2.84)%	(4,489.73)	(3.25)%
Income tax relating to above item	(11.30)	(0.01)%	985.28	0.71%	1,129.99	0.82%
Cash flow hedge reserve	(27.48)	(0.02)%	-	-	(65.89)	(0.05)%
Income tax relating to above item	6.92	0.00%	-	-	16.58	0.01%
Other comprehensive income	**(2,066.67)**	(1.33)%	**(2,915.31)**	(2.11)%	**(3,492.17)**	(2.53)%
Total comprehensive income	**(1,585.36)**	(1.02)%	**(845.42)**	(0.61)%	**(4,890.39)**	(3.54)%
Net profit/(loss) after tax attributed to						
Owners of the Parent Company	481.31	0.31%	2,069.89	1.50%	(1,398.22)	(1.01)%
Non-controlling interests	-	-	-	-	-	-
Earnings per equity share (face value of ₹ 10 per equity share)*						
Basic (₹)	0.62		2.96		(2.26)	
Diluted (₹)	0.59		2.72		(2.26)	

EPS figures provided are absolute numbers

FISCAL 2023 COMPARED TO FISCAL 2022

Total Income

Total income increased by 12.88 % from ₹ 1,38,113.98 lakhs in Fiscal 2022 to ₹ 1,55,902.33 Lakhs in Fiscal 2023, primarily due to an increase in our revenue from operations during the year.

Revenue from operations

Revenue from operations increased by 13.09 % from ₹ 137,704.98 lakhs in Fiscal 2022 to ₹ 1,55,729.04 lakhs in Fiscal 2023, primarily due to increase in

(i) net gain on derecognition of financial instruments by 317.60 % from ₹ 5,165.51 lakhs in Fiscal 2022 to ₹ 21,571.16 lakhs in Fiscal 2023 this was due to an increase in the gain on sale of loan portfolio through assignment.
(ii) the interest income increased by 1.73 % from ₹ 122,773.49 lakhs in Fiscal 2022 to ₹ 1,24,896.84 lakhs in Fiscal 2023, driven by increase in on-book portfolio and increase in lending rate due to increase in (a) interest income on portfolio loans (on financial assets measured at amortized cost) by 192.48% from ₹ 9,241.68 lakhs in Fiscal 2022 to ₹ 27,029.70 lakhs in Fiscal 2023 on account of increase in treasury income and increase in rate of income on treasury investment;

(b) increase in income from housing loans (on financial assets measured classified at FVOCI) by 54.76% from ₹ 3,303.33 lakhs in Fiscal 2022 to ₹ 5,112.33 lakhs in Fiscal 2023 on account of increase in portfolio and lending rate; and (c) interest income on unwinding of assigned portfolio (on financial assets measured at amortized cost) by 103.25% from ₹ 970.38 lakhs in Fiscal 2022 to ₹ 1,972.27 lakhs in Fiscal 2023 on account of increase in direct assignment transactions in Fiscal 2023 as compared to Fiscal 2022.

(iii) The rental income also increased marginally by 7.44% from ₹ 35.63 lakhs in Fiscal 2022 to ₹ 38.28 lakhs in Fiscal 2023 due to increase in rental income on building.

This was partially offset by the decrease in fees and commission income by 5.57 % from ₹ 8,126.77 lakhs in Fiscal 2022 to ₹ 7,674.41 lakhs in Fiscal 2023 primarily due to a decrease in income from business correspondent operations, decrease in other operating income by 24.84 % from ₹ 176.60 lakhs in Fiscal 2022 to ₹ 132.73 lakhs in Fiscal 2023 primarily on account of decrease in portfolio of business correspondent income, decrease in net gain on fair value changes by 0.56 % from ₹ 1,423.43 lakhs in Fiscal 2022 to ₹ 1,415.45 lakhs in Fiscal 2023, and decrease in dividend income by 94.60 % from ₹ 3.15 lakhs in Fiscal 2022 to ₹ 0.17 lakhs in Fiscal 2023.

Other Income

Other income decreased by 57.67% from ₹ 409.40 Lakhs in Fiscal 2022 to ₹ 173.29 Lakhs in Fiscal 2023, primarily due to decrease in (i) interest income on income-tax refund from ₹ 69.93 lakhs in Fiscal 2022 to nil in Fiscal 2023; (ii) net gain on termination of leases by 2.44 % from ₹ 7.78 lakhs in Fiscal 2022 to ₹ 7.59 Lakhs in Fiscal 2023; and (iii) miscellaneous income by 76.00 % from ₹ 273.94 lakhs in Fiscal 2022 to ₹ 65.75 lakhs in Fiscal 2023. The decrease in miscellaneous income was primarily on account of decrease in other income at one of the subsidiary SFL.

This was partially offset by increase in (i) promotion of financial products by 63.64 % from ₹ 55.00 lakhs in Fiscal 2022 to ₹ 90.00 Lakhs in Fiscal 2023; (ii) net gain on derecognition of property, plant and equipment by 261.82 % from ₹ 2.75 lakhs in Fiscal 2022 to ₹ 9.95 lakhs in Fiscal 2023

Total Expenses

Total expenses increased by 15.35 % from ₹ 1,34,696.12 lakhs in Fiscal 2022 to ₹ 1,55,378.26 lakhs Fiscal 2023. This increase was primarily due to increase in branches, operations and AUM. As a percentage of total income, our total expenses were 99.66 % in Fiscal 2023 as compared to 97.53% in Fiscal 2022.

Finance Costs (on financial liabilities measured at amortised cost)

Our finance costs decreased by 2.22 % from ₹ 63,071.51 lakhs in Fiscal 2022 to ₹ 61,673.10 lakhs in Fiscal 2023, this was primarily due to decrease in (i) interest on debt securities by 31.41 % from ₹ 18,520.51 lakhs in Fiscal 2022 to ₹ 12,703.81 lakhs in Fiscal 2023; and (ii) interest on subordinated liabilities by 15.46 % from ₹ 6,918.75 lakhs in Fiscal 2022 to ₹ 5,848.88 lakhs in Fiscal 2023, this included dividend on cumulative, non-participative, non-convertible, compulsorily redeemable preference shares of ₹ Nil (March 31. 2022: ₹ 20.31 lakhs) paid during the year along with redemption of the same.

This was partially offset by increase in (i) interest on borrowings (other than debt securities) by 13.85 % from ₹ 36,560.71 lakhs in Fiscal 2022 to ₹ 41,624.35 lakhs in Fiscal 2023; (ii) interest expense on leasing arrangements by 58.45 % from ₹ 89.03 lakhs in Fiscal 2022 to ₹ 141.07 lakhs in Fiscal 2023; (iii) other interest charges by 23.47 % from ₹ 787.41 lakhs in Fiscal 2022 to ₹ 972.25 lakhs in Fiscal 2023; and (iv) bank charges by 96.18 % from ₹ 195.10 lakhs in Fiscal 2022 to ₹ 382.74 lakhs in Fiscal 2023.

Impairment on financial instruments

Impairment on financial instruments increased by 125.79 % from ₹ 18,073.66 lakhs in Fiscal 2022 to ₹ 40,808. 22 lakhs in Fiscal 2023. This was primarily due to increase in (i) loans written off (on financial assets measured at FVTOCI) by 403.52 % from ₹ 11,810.92 lakhs in Fiscal 2022 to ₹ 59,469.91 lakhs in Fiscal 2023 and loans written off (on financial assets measured at amortised cost) by 265.57 % from ₹ 97.60 lakhs in Fiscal 2022 to ₹ 356.80 lakhs in Fiscal 2023 (ii) impairment loss allowance on trade receivables and other receivables (on financial assets measured at amortised costs) by 60.67 % from ₹ 15.79 lakhs in Fiscal 2022 to ₹ 25.37 lakhs in Fiscal 2023. Our loans written off (on financial assets measured at FVTOCI and at amortised cost) and impairment loss allowance on trade receivables and other receivables (on financial assets measured at amortised costs) were higher in Fiscal 2023 on account of restructuring of the portfolio during Fiscal 2022 and further full effect of Covid-19 loss was reflected in Fiscal 2023.

This was partially offset by decrease in (i) impairment loss allowance on housing and other loans (on financial assets measured at FVTOCI) by 438.53 % from ₹ 5,692.02 lakhs in Fiscal 2022 to ₹ (19,269.31) lakhs in Fiscal 2023 and impairment loss allowance on housing and other loans (on financial assets measured at amortised cost) by 50.70 % from ₹ 457.33 lakhs in Fiscal 2022 to ₹ 225.45 lakhs in Fiscal 2023. The decrease was primarily due to reversal of provisions on account of write offs of Covid-19 impacted portfolio.

Employee benefit expense

Employee benefit expense decreased by 1.40 % from ₹ 39,312.43 lakhs in Fiscal 2022 to ₹ 38,760.29 lakhs in Fiscal 2023. This was primarily due to decrease in (i) contribution to provident and other funds by 15.16 % from ₹ 3,472.89 lakhs in Fiscal 2022 to ₹ 2,946.28 lakhs in Fiscal 2023; (ii) staff welfare expenses by 1.25 % from ₹ 479.28 lakhs in Fiscal 2022 to ₹ 473.30 lakhs in Fiscal 2023. Our contribution to provident and other funds and staff welfare expenses were lesser in Fiscal 2023 due to improved portfolio quality and lesser efforts required for recovery of delinquent portfolio.

Depreciation and amortization expense

Depreciation and amortization expense increased by 14.26 % from ₹ 1,609.77 lakhs in Fiscal 2022 to ₹ 1,839.37 lakhs in Fiscal 2023, primarily due to an increase in (i) depreciation of right-to-use assets by 110.53 % from ₹ 289.72 lakhs in Fiscal 2022 to ₹ 609.96 lakhs in Fiscal 2023.This was partially offset by a decrease in (i) depreciation of property, plant and equipment by 6.92 % from ₹ 1,203.80 lakhs in Fiscal 2022 to ₹ 1,120.44 lakhs in Fiscal 2023; (ii) depreciation on investment property by 4.90 % from ₹ 35.75 lakhs in Fiscal 2022 to ₹ 34.00 lakhs in Fiscal 2023; and amortisation on intangible assets by 6.87 % from ₹ 80.50 lakhs in Fiscal 2022 to ₹ 74.97 lakhs in Fiscal 2023.

Other expenses

Other expenses decreased by 2.62 % from ₹ 12,628.75 lakhs in Fiscal 2022 to ₹ 12,297.28 lakhs in Fiscal 2023, primarily due to a decrease in:

- write off against first loss default guarantee by 78.03%, from ₹ 2,914.03 lakhs in Fiscal 2022 to ₹ 640.18 lakhs in Fiscal 2023 on account of reduction in AUM
- rental expense by 15.55%, from ₹ 1,659.81 lakhs in Fiscal 2022 to ₹ 1401.63 lakhs in Fiscal 2023 on account of increase in number of leases with longer term where depreciation is booked on right of use assets and finance cost on lease liability under Ind AS 116.
- insurance expense, from ₹ 558.47 lakhs in Fiscal 2022 to ₹ 430.50 lakhs in Fiscal 2023 on account of higher recovery of insurance premium from employees along with discontinuance of fidelity insurance.
- corporate social responsibility expense, from ₹ 341.93 lakhs in Fiscal 2022 to ₹175.45 lakhs in Fiscal 2023 on account of lower profit during 3 years ending Fiscal 2023 as compared to 3 years ending Fiscal 2022.
- first loss default guarantee expenses from ₹ 42.08 lakhs in Fiscal 2022 to ₹ (535.49) lakhs in Fiscal 2023 on account of reduction in business correspondence portfolio.
- net loss on derecognition of property, plant and equipment from ₹ 22.78 lakhs in Fiscal 2022 to ₹ nil in Fiscal 2023.

This was offset primarily by an increase in (i) travelling and conveyance expense from ₹ 671.45 lakhs in Fiscal 2022 to ₹ 2,366.79 lakhs in Fiscal 2023 on account of increase in operations and branch network; (ii) other administrative expenses from ₹ 1,478.97 lakhs in Fiscal 2022 to ₹ 1,739.60 lakhs in Fiscal 2023; (iii) legal and professional charges from ₹ 1,442.50 lakhs in Fiscal 2022 to ₹ 1,630.78 lakhs in Fiscal 2023 (iv) miscellaneous expenses from ₹ 1,218.28 lakhs in Fiscal 2022 to ₹ 1,419.86 lakhs in Fiscal 2023; (v) advertisement and publicity expenses from ₹104.89 lakhs in Fiscal 2022 to 241.91 lakhs in Fiscal 2023.

Profit before tax

For the reasons discussed above, profit before tax decreased by 84.67 % from ₹ 3,417.86 lakhs in Fiscal 2022 to ₹ 524.07 lakhs in Fiscal 2023.

Tax expense

Our tax expenses decreased by 96.83% from ₹ 1,347.97 lakhs in Fiscal 2022 to ₹ 42.76 lakhs in Fiscal 2023. Current tax expense decreased from ₹ 3,402.70 lakhs in Fiscal 2022 compared to ₹ (48.89) lakhs in Fiscal 2023 primarily due to reduction in profit due to higher credit cost. Our deferred tax credit was ₹ (2,054.73) lakhs in Fiscal 2022 compared to a deferred tax charge of ₹ 91.65 lakhs in Fiscal 2023.

Profit after tax for the year

For the various reasons discussed above, profit for the year decreased by 76.75 % from ₹ 2,069.89 lakhs in Fiscal 2022 to ₹ 481.31 lakhs in Fiscal 2023.

FISCAL 2022 COMPARED TO FISCAL 2021

Total Income

Total income increased by 0.05 % from ₹ 1,38,017.68 lakhs in Fiscal 2021 to ₹ 1,38,089.38 lakhs in Fiscal 2022, primarily due to an increase in our revenue from operations during the year.

Revenue from operations

Revenue from operations increased by 0.08 % from ₹ 1,37,569.57 lakhs in Fiscal 2021 to ₹ 1,37,679.98 lakhs in Fiscal 2022, primarily due to increase in:

(i) interest income by 5.19% from ₹1,16,716.44 lakhs in Fiscal 2021 to ₹ 1,22,743.49 lakhs in Fiscal 2022, primarily on account of increase in (a) interest income on portfolio loans (on financial assets measured at amortized cost) by 7.27% from ₹1,02,914.58 lakhs in Fiscal 2021 to ₹ 1,10,399.10 lakhs in Fiscal 2022 driven by increase in on-book portfolio**;** (b) increase in interest income from housing and other loans (on financial assets measured at amortized cost) by 24.10 % from ₹4,729.10 lakhs in Fiscal 2021 to ₹ 5,868.61 lakhs in Fiscal 2022, primarily on account of increase in portfolio**.** This was partially offset by decrease in (a) interest income on deposits, certificate of deposits and commercial papers (on financial assets measured at amortized cost) by 21.58 % from ₹ 7,058.53 lakhs in Fiscal 2021 to ₹ 5,535.40 lakhs in Fiscal 2022 on account of reduction in interest rate offered by banks on fixed deposits***;*** (b) interest income on unwinding of assigned portfolio (on financial assets measured at amortized cost) by 49.54 % from ₹1,922.88 lakhs in Fiscal 2021 to ₹ 970.38 lakhs in Fiscal 2022 on account of increase in transactions of direct assignment in Fiscal 22; (b) interest income on investments (on financial assets measured/classified at fair value through profit and loss) from ₹91.35 lakhs in Fiscal 2021 to ₹ nil in Fiscal 2022 on account of regroupings;

(ii) net gain on fair value changes from nil in Fiscal 2021 to ₹ 1,423.43 lakhs in Fiscal 2022, this was primarily due to increase in valuation of derivative financial instruments;

(iii) dividend income from nil in Fiscal 2021 to ₹ 3.15 lakhs in Fiscal 2022; and

(iv) other operating income by 67.16% from ₹ 105.65 lakhs in Fiscal 2021 to ₹ 176.60 lakhs in Fiscal 2022 on account of increase in miscellaneous income.

This was partially offset by the decrease in (i) fees and commission income by 14.96 % from ₹ 9,555.96 lakhs in Fiscal 2021 to ₹ 8,126.77 lakhs in Fiscal 2022 primarily on account of decrease in income from business correspondent operations by 15.37% from ₹ 8,796.68 lakhs in Fiscal 2021 to ₹ 7,444.52 lakhs in Fiscal 2022; and (ii) net gain on derecognition of financial instruments by 53.84 % from ₹ 11,191.52 lakhs in Fiscal 2021 to ₹ 5,165.51 lakhs in Fiscal 2022.

Other Income

Other income decreased by 8.46% from ₹ 448.11 Lakhs in Fiscal 2021 to ₹ 409.40 Lakhs in Fiscal 2022, primarily due to decrease in (i) interest income on income tax refund by 45.59% from ₹ 128.52 lakhs in Fiscal 2021 to ₹ 69.93 lakhs in Fiscal 2022; (ii) income from promotion of financial products by 70.67% from ₹ 187.50 lakhs in Fiscal 2021 to ₹ 55.00 lakhs in Fiscal 2022 and (iii) rental income by 31.87 % from ₹ 16.19 lakhs in Fiscal 2021 to ₹ 11.03 lakhs in Fiscal 2022.

This was partially offset primarily by an increase in miscellaneous income by 166.88% from ₹ 102.64 Lakhs in Fiscal 2021 to ₹ 273.93 Lakhs in Fiscal 2022 primarily due to increase in business in the normal course.

Total Expenses

Total expenses decreased by 3.11% from ₹ 1,38,993.07 lakhs in Fiscal 2021 to ₹ 1,34,671.52 lakhs in Fiscal 2022. As a percentage of total income, our total expenses were 100.71 % in Fiscal 2021 as compared to 97.52 % in Fiscal 2022 .

Finance Costs (on financial liabilities measured at amortised cost)

Finance costs decreased by 1.87 % from ₹ 63,786.71 lakhs in Fiscal 2021 to ₹ 62,590.71 lakhs in Fiscal 2022, this was primarily due to decrease in (i) interest on borrowings (other than debt securities) by 10.27 % from ₹ 40,744.40 lakhs in Fiscal 2021 to ₹ 36,560.71 lakhs in Fiscal 2022; (ii) interest on subordinate liabilities by 12.80 % from ₹ 7,934.61 lakhs in Fiscal 2021 to ₹ 6,918.75 lakhs in Fiscal 2022; (iii) interest expense on leasing arrangements by 10.43 % from ₹ 99.40 lakhs in Fiscal 2021 to ₹ 89.03 lakhs in Fiscal 2022.

This was partially offset by increase in (i) interest on debt securities by 25.03 % from ₹ 14,813.27 lakhs in Fiscal 2021 to ₹ 18,520.51 lakhs in Fiscal 2022; (ii) other interest expenses by 341.86 % from ₹ 69.39 lakhs in Fiscal 2021 to ₹ 306.61 lakhs in Fiscal 2022; and (iii) bank charges by 55.28 % from ₹ 125.64 lakhs in Fiscal 2021 to ₹ 195.10 lakhs in Fiscal 2022.

Impairment on financial instruments

Impairment on financial instruments decreased by 35.23 % from ₹ 27,902.65 lakhs in Fiscal 2021 to ₹ 18,073.66 lakhs in Fiscal 2022. This was primarily due to decrease in (i) impairment loss allowance on housing and other loans by 54.61 % from ₹ 13,546.98 lakhs in Fiscal 2021 to ₹ 6,149.35 lakhs in Fiscal 2022 on account of reduction in ECL provision; loans written off by 15.43 % from ₹ 14,081.58 lakhs in Fiscal 2021 to ₹ 11,908.52 lakhs in Fiscal 2022 on account of lesser write offs; (ii) impairment loss allowance on trade receivable and other receivable by 94.24 % from ₹ 274.09 lakhs in Fiscal 2021 to ₹ 15.79 lakhs in Fiscal 2022.The decrease in impairment allowance on trade receivable and other receivable was primarily due to better claims settlement by insurance companies and corresponding lesser provisions.

Employee benefit expense

Employee benefit expense increased by 16.54 % from ₹ 33,732.52 lakhs in Fiscal 2021 to ₹ 39,312.43 lakhs in Fiscal 2022. This was primarily due to increase in (i) salaries, wages and bonus by 14.75 % from ₹ 30,819.67 lakhs in Fiscal 2021 to ₹ 35,366.02 lakhs in Fiscal 2022, this was primarily due to voluntary pay cuts in Fiscal 2021; (ii) contribution to provident and other funds by 28.79 % from ₹ 2,696.55 lakhs in Fiscal 2021 to ₹ 3,472.89 lakhs in Fiscal 2022 on account of increments; (iii) staff welfare expenses by 70.96 % from ₹ 280.34 lakhs in Fiscal 2021 to ₹ 479.28 lakhs in Fiscal 2022;

This was partially offset by decrease in share based payment to employees by 91.01 % from ₹ (64.04) lakhs in Fiscal 2021 to ₹ (5.76) lakhs in Fiscal 2022.

Depreciation and amortization expense

Depreciation and amortization expense increased by 4.40 % from ₹ 1,507.63 lakhs in Fiscal 2021 to ₹ 1,574.02 lakhs in Fiscal 2022, primarily due to an increase in depreciation on property, plant and equipment by 19.03 % from ₹ 1,011.30 lakhs in Fiscal 2021 to ₹ 1,203.80 lakhs in Fiscal 2022.

This was partially offset due to decrease in (i) depreciation of right of use assets by 27.82 % from ₹ 401.38 lakhs in Fiscal 2021 to ₹ 289.72 lakhs in Fiscal 2022; and amortization of intangible assets by 15.22 % from ₹ 94.95 lakhs in Fiscal 2021 to ₹ 80.50 lakhs in Fiscal 2022.

Other expenses

Other expenses increased by 14.63 % from ₹ 11,446.15 lakhs in Fiscal 2021 to ₹ 13,120.70 lakhs in Fiscal 2022, primarily due to increase in:

- write off against first loss default guarantee by 407.75 % from ₹ 573.91 lakhs in Fiscal 2021 to ₹ 2,914.03 lakhs in Fiscal 2022 on account of higher write offs in erstwhile subsidiary Taraashna financial services Limited;
- exchange fluctuation loss (net) by 224.51 % from ₹ (386.16) lakhs in Fiscal 2021 to ₹ 480.80 lakhs in Fiscal 2022 on account of dollar rate fluctuation;
- other administrative expenses by 7.25 % from ₹ 1,386.63 lakhs in Fiscal 2021 to ₹ 1,487.15 lakhs in Fiscal 2022;
- travelling and conveyance expense by 49.33 % from ₹ 466.96 lakhs in Fiscal 2021 to ₹ 697.31 lakhs in Fiscal 2022;
- rent by 0.34 % from ₹ 1,654.22 lakhs in Fiscal 2021 to ₹ 1,659.81 lakhs in Fiscal 2022;
- rates and taxes by 9.42 % from ₹ 116.19 lakhs in Fiscal 2021 to ₹ 127.14 lakhs in Fiscal 2022;
- net loss on derecognition of property, plant and equipment, from nil in Fiscal 2021 to ₹ 22.78 lakhs in Fiscal 2022;
- miscellaneous expenses by 32.46 % from ₹ 945.52 lakhs in Fiscal 2021 to ₹ 1,252.48 lakhs in Fiscal 2022 on account of increase in operational costs.

This was offset primarily by a decrease in (i) first loss default guarantee by 97.54 % from ₹ 1,711.16 lakhs in Fiscal 2021 to

₹ 42.08 lakhs in Fiscal 2022 on account of lesser provisions due to reduction in business correspondents portfolio; (ii) legal and professional charges by 13.59 % from ₹ 1,669.40 lakhs in Fiscal 2021 to ₹ 1,442.50 lakhs in Fiscal 2022; (ii) documentation charges by 15.67 % from ₹ 152.55 lakhs in Fiscal 2021 to ₹ 128.64 lakhs in Fiscal 2022; (iii) corporate social responsibility by 41.65 % from ₹ 586.00 lakhs in Fiscal 2021 to ₹ 341.93 lakhs in Fiscal 2022; and (v) interest on interest to borrowers from ₹ 10.64 lakhs in Fiscal 2021 to nil in Fiscal 2022.

Profit before tax

For the reasons discussed above, profit before tax increased by 450.41 % from ₹ (975.39) lakhs in Fiscal 2021 to ₹ 3,417.86 lakhs in Fiscal 2022.

Tax expense

Our tax expense increase by 218.80 % from ₹ 422.83 lakhs in Fiscal 2021 to ₹ 1,347.97 lakhs in Fiscal 2022. The Current tax expense decreased from ₹ 5,194.10 lakhs in Fiscal 2021 as compared to ₹ 3,402.70 lakhs in Fiscal 2022 and deferred tax credit decreased from ₹ (4,771.27) in Fiscal 2021 to ₹ (2,054.73) lakhs in Fiscal 2022.

Profit after tax for the year

For the various reasons discussed above, profit for the year increased by 248.04 % from ₹ (1,398.22) lakhs in Fiscal 2021 to ₹ 2,069.89 lakhs in Fiscal 2022.

FINANCIAL CONDITION

Assets

The table below sets out the principal components of our assets as of the dates indicated:

Particulars	As at September 30	As at March 31		
	2023	2023	2022	2021
		(₹ lakhs)		
Financial assets				
Cash and cash equivalents	55,545.81	25,770.63	1,09,126.48	1,16,403.35
Other bank balances	94,828.91	85,665.12	91,067.88	79,429.19
Derivative financial instruments	2,385.98	2,231.64	1,192.75	34.13
Trade receivables	443.04	539.45	276.08	1,945.52
Loans	7,36,090.80	6,32,885.67	5,30,842.27	5,81,115.60
Investments	10,409.95	6,175.90	4,856.62	58.06
Other financial assets	9,212.23	2,312.80	2,902.89	3,989.48
Non-financial Assets				
Current tax assets (net)	6,541.61	4,327.55	526.10	-
Deferred tax assets (net)	2,712.74	8,857.48	8,253.66	5,218.78
Investment Property	648.04	664.26	698.26	693.73
Property, plant and equipment	8,916.56	8,681.88	8,282.18	8,751.71
Capital work-in-progress	-	-	17.89	364.96
Intangible assets under development	-	-	-	-
Goodwill	3,370.66	3,370.66	3,370.66	3,370.66
Other intangible assets	145.20	179.17	230.40	310.91
Other non-financial assets	3,798.87	3,294.60	3,882.94	2,784.99
TOTAL ASSETS	**9,35,050.40**	**7,84,956.81**	**7,65,527.06**	**8,04,471.07**

Our total assets increased by 19.12% from ₹ 7,84,956.81 lakhs as at March 31, 2023 to ₹ 9,35,050.40 lakhs as at September 30, 2023. This increase was primarily due to an increase in loans by 16.31% from ₹ 6,32,885.67 lakhs as at March 31, 2023 to ₹ 7,36,090.80 lakhs as September 30, 2023 on account of increase in on-book portfolio.

Our total assets increased by 2.54% from ₹ 7,65,527.06 lakhs as at March 31, 2022 to ₹ 7,84,956.81 lakhs as at March 31, 2023. This increase was primarily due to an increase in loans by 19.22% from ₹ 5,30,842.27 lakhs as at March 31, 2022 to ₹ 6,32,885.67 lakhs as at March 31, 2023 on account of increase in on-book portfolio. This was partially offset by the decrease in cash and cash equivalents by 76.38% from ₹ 1,09,126.48 lakhs as at March 31, 2022 to ₹ 25,770.63 lakhs as at March 31, 2023 primarily on account of maintaining optimum liquidity.

Our total assets decreased by 4.84% from ₹ 8,04,471.07 lakhs as at March 31, 2021 to ₹ 7,65,527.06 lakhs as at March 31, 2022. This decrease was primarily due to a decrease in loans by 8.65% from ₹ 5,81,115.60 lakhs as at March 31, 2021 to ₹ 5,30,842.27 lakhs as at March 31, 2022.

Financial Assets

Cash and cash equivalents

Our cash and cash equivalents decreased by 6.25 % from ₹ 1,16,403.35 lakhs as at March 31, 2021 to ₹ 1,09,126.48 lakhs as at March 31, 2022, primarily due to decrease in balances with banks and financial institutions. Subsequently the cash and cash equivalents decreased by 76.38 % from ₹ 1,09,126.48 lakhs as at March 31, 2022 to ₹ 25,770.63 lakhs as at March 31, 2023 primarily due to maintaining optimum liquidity. Subsequently the cash and cash equivalents increased by 115.54 % from ₹ 25,770.63 lakhs as at March 31, 2023 to ₹ 55,545.81 lakhs as at September 30, 2023 primarily due to increase in in balances with banks in current accounts, this includes balance of ₹ 2.15 lakhs (March 31, 2023: ₹ 2.15 lakhs) which is earmarked for unpaid dividend.

Other bank balances

Our other bank balances increased by 14.65 % from ₹ 79,429.19 lakhs as at March 31, 2021 to ₹ 91,067.88 lakhs as at March 31, 2022, primarily due to increase in balance with banks and financial institutions to the extent held as margin money deposits against borrowings and guarantees. Further, our other bank balances decreased by 5.93 % from ₹ 91,067.88 lakhs as at March 31, 2022 to ₹ 85,665.12 lakhs as at March 31, 2023. Furthermore, the other bank balances increased by 10.70 % from ₹ 85, 665.12 lakhs as at March 31, 2023 to ₹ 94,828.91 lakhs as at September 30, 2023 primarily due to increase in deposits for remaining maturity of more than 3 months and upto 12 months and balance with banks and financial institutions to the extent held as margin money deposits against borrowings and guarantees.

Derivative financial instruments

Our derivative financial instruments increased substantially by 3394.73 % from ₹ 34.13 lakhs as at March 31, 2021 to ₹ 1,192.75 lakhs as at March 31, 2022, primarily due to increase in currency and interest swap. Further, our derivative financial instruments increased by 87.10 % from ₹ 1,192.75 lakhs as at March 31, 2022 to ₹ 2,231.64 lakhs as at March 31, 2023, primarily due to increase in valuation of derivative financial instruments. Furthermore, the derivative financial instruments increased by 6.92 % to from ₹ 2,231.64 lakhs as at March 31, 2023 ₹ 2,385.98 lakhs as at September 30, 2023.

Trade receivables

Our trade receivables decreased substantially by 85.81% from ₹ 1,945.52 lakhs as at March 31, 2021 to ₹ 276.08 lakhs as at March 31, 2022, primarily due to decrease in unsecured receivables. Further, our trade receivables increased by 95.40 % from ₹ 276.08 lakhs as at March 31, 2022 to ₹ 539.45 lakhs as at March 31, 2023 primarily due to better realisation at the end of the financial year. Furthermore, the trade receivables decreased by 17.87 % from ₹ 539.45 lakhs as at March 31, 2023 to ₹ 443.04 lakhs as at September 30, 2023.

Loans

Our loans decreased by 8.65 % from ₹ 5,81,115.60 lakhs as at March 31, 2021 to ₹ 5,30,842.27 lakhs as at March 31, 2022, primarily due to decrease in secured housing and portfolio loans. Further, our loans increased by 19.22 % from ₹ 5,30,842.27 lakhs as at March 31, 2022 to ₹ 6,32,885.67 lakhs as at March 31, 2023, primarily due to increase in loan disbursement. Furthermore, the loans increased by 16.31 % from ₹ 6,32,885.67 lakhs as at March 31, 2023 to ₹ 7,36,090.80 lakhs as at September 30, 2023 primarily due to increase in secured housing and portfolio loans.

Investments

Our investments increased substantially by 8,264.83 % from ₹ 58.06 lakhs as at March 31, 2021 to ₹ 4,856.62 lakhs as at March 31, 2022, primarily due to increase in preferential instruments, security receipts and pass through certificates. Further, our investments increased by 27.16 % from ₹ 4,856.62 lakhs as at March 31, 2022 to ₹ 6,175.90 lakhs as at March 31, 2023, primarily due to increase in security receipts. Furthermore, the investments increased by 68.56 % from ₹ 6,175.90 lakhs as at March 31, 2023 to ₹ 10,409.95 lakhs as at September 30, 2023 primarily due to increase in certificate of deposits.

Other financial assets

Our other financial assets decreased by 27.24 % from ₹ 3,989.48 lakhs as at March 31, 2021 to ₹ 2,902.89 lakhs as at March 31, 2022, primarily due to decrease in other recoverable. Further, our other financial assets decreased by 20.33 % from ₹ 2,902.89 lakhs as at March 31, 2022 to ₹ 2,312.80 lakhs as at March 31, 2023. Furthermore, the other financial assets increased substantially by 298.32 % from ₹ 2,312.80 lakhs as at March 31, 2023 to ₹ 9,212.23 lakhs as at September 30, 2023 primarily due to increase in other recoverable.

Non- Financial Assets

Current tax assets (net)

Our current tax assets (net) increased substantially from nil as at March 31, 2021 to ₹ 526.10 lakhs as at March 31, 2022, primarily due to addition of advance income - tax (net). Further, our current tax assets (net) increased substantially by 722.57% from ₹ 526.10 lakhs as at March 31, 2022 to ₹ 4,327.55 lakhs as at March 31, 2023, primarily due to pending refunds from income tax department. Furthermore, the current tax assets (net) increased by 51.16 % from ₹ 4,327.55 lakhs as at March 31, 2023 to ₹ 6,541.61 lakhs as at September 30, 2023 primarily due to pending refunds from income tax department.

Deferred tax assets (net)

Our deferred tax assets (net) increased by 58.15 % from ₹ 5,218.78 lakhs as at March 31, 2021 to ₹ 8,253.66 lakhs as at March 31, 2022, primarily due to increase in impairment loss allowance. Further, our deferred tax assets (net) increased by 7.32% from ₹ 8,253.66 lakhs as at March 31, 2022 to ₹ 8,857.48 lakhs as at March 31, 2023. Furthermore, our deferred tax assets (net) decreased substantially by 69.37 % from ₹ 8,857.48 lakhs as at March 31, 2023 to ₹ 2,712.74 lakhs as at September 30, 2023 primarily due to reduction in deferred tax asset on brought forward losses.

Investment Property

Our investment property increased by 0.65 % from ₹ 693.73 lakhs as at March 31, 2021 to ₹ 698.26 lakhs as at March 31, 2022. Further, investment property decreased by 4.87% from ₹ 698.26 lakhs as at March 31, 2022 to ₹ 664.26 lakhs as at March 31, 2023. Furthermore, the investment property increased by 2.44 % from ₹ 664.26 lakhs as at March 31, 2023 to ₹ 648.04 lakhs as at September 30, 2023.

Property, plant and equipment

Our property, plant and equipment decreased by 5.37 % from ₹ 8,751.71 lakhs as at March 31, 2021 to ₹ 8,282.18 lakhs as at March 31, 2022. Further, property, plant and equipment increased by 4.83% from ₹ 8,282.18 lakhs as at March 31, 2022 to ₹ 8,681.88 lakhs as at March 31, 2023. Furthermore, the property, plant and equipment increased by 2.70 % from ₹ 8,681.88 lakhs as at March 31, 2023 to ₹ 8,916.56 lakhs as at September 30, 2023.

Capital work-in-progress

Our capital work-in-progress decreased by 95.10 % from ₹ 364.96 lakhs as at March 31, 2021 to ₹ 17.89 lakhs as at March 31, 2022 primarily due to capitalisation of the same. Furthermore, the capital work-in-progress remained nil as at March 31, 2023 and September 30, 2023.

Goodwill

Our goodwill was ₹ 3,370.66 lakhs as at March 31, 2021, March 31, 2022, March 31, 2023 and September 30, 2023.

Other intangible assets

Our other intangible assets decreased by 25.89 % from ₹ 310.91 lakhs as at March 31, 2021 to ₹ 230.40 lakhs as at March 31, 2022, primarily due to amortisation of the same. Further, other intangible assets decreased by 22.23% from ₹ 230.40 lakhs as at March 31, 2022 to ₹ 179.17 lakhs as at March 31, 2023. Furthermore, the other intangible assets decreased by 18.96 % from ₹ 179.17 lakhs as at March 31, 2023 to ₹ 145.20 lakhs as at September 30, 2023 primarily due to amortisation of the same.

Other non-financial assets

Our other non-financial assets increased by 39.42% from ₹ 2,784.99 lakhs as at March 31, 2021 to ₹ 3,882.94 lakhs as at March 31, 2022 primarily due to increase in other assets. Further, our other non-financial assets decreased by 15.15 % from ₹ 3,882.94 lakhs as at March 31, 2022 to ₹ 3,294.60 lakhs as at March 31, 2023. Furthermore, the other non-financial assets increased by 15.31 % from ₹ 3,294.60 lakhs as at March 31, 2023 to ₹ 3,798.87 lakhs as at September 30, 2023.

Liabilities

The table below sets out the principal components of our liabilities as of the dates indicated:

Particulars	**As at September 30**	**As at March 31,**		
	2023	**2023**	**2022**	**2021**
	(₹ lakhs)			
Financial Liabilities				
Payables				
(a) Trade payables				
- total outstanding dues of micro enterprises and small enterprises	7.10	10.42	10.42	10.84
- total outstanding dues of creditors other than micro enterprises and small enterprises	238.58	497.45	1,268.06	1,130.83
(b) Other payables				
- total outstanding dues of micro enterprises and small enterprises	320.20	23.87	172.02	223.90
- total outstanding dues of creditors other than micro enterprises and small enterprises	2,022.74	1,527.78	1,520.19	1,998.00
Debt securities	81,922.60	1,09,643.58	1,19,241.39	1,71,003.09
Borrowings (other than debt securities)	6,16,378.08	4,44,358.26	4,08,079.96	3,94,702.04
Subordinated liabilities	29,986.26	37,122.90	47,030.53	52,407.85
Other financial liabilities	11,797.31	27,071.94	28,001.28	31,776.33
Non-financial Liabilities				
Current tax liabilities (net)	-	-	-	87.90
Provisions	1,045.77	934.35	982.33	1,642.85
Deferred tax liabilities (net)	-	-	-	-
Other non-financial liabilities	1,312.47	953.82	1,035.54	870.98
Equity				
Equity share capital	9,920.66	8,479.63	7,459.12	6,647.12
Other equity	1,80,098.63	1,54,332.81	1,50,726.22	1,41,969.34
Non-controlling interest	-	-	-	-
TOTAL LIABILITIES AND EQUITY	**9,35,050.40**	**7,84,956.81**	**7,65,527.06**	**8,04,471.07**

Financial Liabilities

Payables

Trade payables

Our total outstanding dues to MSMEs decreased by 3.87 % from ₹ 10.84 lakhs as at March 31, 2021 to ₹ 10.42 lakhs as at March 31, 2022. Further, there was no change in the total outstanding dues to MSMEs from March 31, 2022 to March 31, 2023. Furthermore, it reduced by 31.86 % from ₹ 10.42 lakhs as at March 31, 2023 to ₹ 7.10 lakhs as at September 30, 2023 primarily due to payments made.

Our total outstanding due to creditors other than MSMEs increased by 12.14 % from ₹ 1,130.83 lakhs as at March 31, 2021 to ₹ 1,268.06 lakhs as at March 31, 2022. Further, the total outstanding dues to creditors other than MSMEs reduced by 60.77 % from ₹ 1,268.06 lakhs as at March 31, 2022 to ₹ 497.45 lakhs as at March 31, 2023 primarily due to optimum management of payables. Furthermore, it decreased by 52.04 % from ₹ 497.45 lakhs as at March 31, 2023 to ₹ 238.58 lakhs as at September 30, 2023 primarily due to optimum management of payables.

Other Payables

Our total outstanding dues to MSMEs decreased by 23.17 % from ₹ 223.90 lakhs as at March 31, 2021 to ₹ 172.02 lakhs as at March 31, 2022. The total outstanding dues to MSMEs decreased from ₹ 172.02 lakhs as at March 31, 2022 to ₹ 23.87 lakhs as at March 31, 2023. Furthermore, it increased by 1,241.43 % from ₹ 23.87 lakhs as at March 31, 2023 to ₹ 320.20 lakhs as at September 30, 2023 primarily due to more vendors taking MSME registrations.

Our total outstanding due to creditors other than MSMEs decreased by 23.91 % from ₹ 1,998.00 lakhs as at March 31, 2021 to ₹ 1,520.19 lakhs as at March 31, 2022. The total outstanding due to creditors other than MSMEs increased from ₹ 1,520.19 lakhs as at March 31, 2022 to ₹ 1,527.78 lakhs as at March 31, 2023. Furthermore, it increased by 32.40 % from ₹ 1,527.78 lakhs as at March 31, 2023 to ₹ 2,022.74 lakhs as at September 30, 2023 primarily due to optimum management of payables.

Debt Securities

Our debt securities decreased by 30.27 % from ₹ 1,71,003.09 lakhs as at March 31, 2021 to ₹ 1,19,241.39 lakhs as at March 31, 2022, primarily due to decrease in non-convertible debentures. The debt securities decreased from ₹ 1,19,241.39 lakhs as at March 31, 2022 to ₹ 1,09,643.58 lakhs as at March 31, 2023. Further, the debt securities decreased by 25.28 % from ₹ 1,09,643.58 lakhs as at March 31, 2023 to ₹ 81,922.60 lakhs as at September 30, 2023 primarily due to decrease in secured non-convertible debentures primarily due to lesser amounts raised from issuance of new NCD and repayment of older NCDs.

Borrowing (other than debt securities)

Our borrowings (other than debt securities) increased by 3.39 % from ₹ 3,94,702.04 lakhs as at March 31, 2021 to ₹ 4,08,079.96 lakhs as at March 31, 2022, primarily due to increase in liability against securitised assets (secured). Borrowings (other than debt securities) increased by 8.89 % from ₹ 4,08,079.96 lakhs as at March 31, 2022 to ₹ 4,44,358.26 lakhs as at March 31, 2023. Furthermore, the borrowings (other than debt securities) increased substantially by 38.71% from ₹ 444,358.26 lakhs as at March 31, 2023 to ₹ 6,16,378.08 lakhs as at September 30, 2023 primarily due to increase in secured term loans from other parties and increase in secured external commercial borrowings.

Subordinate liabilities

Our subordinate liabilities decreased by 10.26 % from ₹ 52,407.85 lakhs as at March 31, 2021 to ₹ 47,030.53 lakhs as at March 31, 2022, primarily due to repayments made. Subordinate liabilities decreased by 21.07 % from ₹ 47,030.53 lakhs as at March 31, 2022 to ₹ 37,122.90 lakhs as at March 31, 2023. Furthermore, the other financial liabilities decreased substantially by 19.22 % from ₹ 37,122.90 lakhs as at March 31, 2023 to ₹ 29,986.26 lakhs as at September 30, 2023 primarily due to repayments.

Other financial liabilities

Our other financial liabilities decreased by 11.88 % from ₹ 31,776.33 lakhs as at March 31, 2021 to ₹ 28,001.28 lakhs as at March 31, 2022, primarily due to decrease in interest accrued on debt securities and payable towards assignment and securitization transactions. The other financial liabilities by decreased 3.32 % from ₹ 28,001.28 lakhs as at March 31, 2022 to 27,071.94 lakhs as at March 31, 2023.Furthermore, the other financial liabilities decreased substantially by 56.42 % from ₹ 27,071.94 lakhs as at March 31, 2023 to ₹ 11,797.31 lakhs as at September 30, 2023 primarily due to reduction in payables towards assignment and securitisation transactions.

Non-Financial Liabilities

Provisions

Our provisions decreased by 40.21% from ₹ 1,642.85 lakhs as at March 31, 2021 to ₹ 982.33 lakhs as at March 31, 2022, primarily due to decrease in provision for compensation absences. The provisions decreased by 4.88 % from to ₹ 982.33 lakhs as at March 31, 2022 to ₹ 934.35 lakhs as at March 31, 2023. Furthermore, the provisions increased by 11.92 % from ₹ 934.35 lakhs as at March 31, 2023 to ₹ 1,045.77 lakhs as at September 30, 2023.

Other non-financial liabilities

Our other non-financial liabilities increased by 18.89 % from ₹ 870.98 lakhs as at March 31, 2021 to ₹ 1,035.54 lakhs as at March 31, 2022, primarily due to increase in interest received in advance and statutory dues payable. The other non-financial liabilities decreased by 7.89 % from ₹ 1,035.54 lakhs as at March 31, 2022 to ₹ 953.82 lakhs as at March 31, 2023. Furthermore, the other non- financial liabilities increased by 37.60 % from ₹ 953.82 lakhs as at March 31, 2023 to ₹ 1,312.47 lakhs as at September 30, 2023 primarily due to increase in statutory dues payable at the end of September 30, 2023

Equity

Equity share capital

Our equity share capital increased by 12.22 % from ₹ 6,647.12 lakhs as at March 31, 2021 to ₹ 7,459.12 lakhs as at March 31, 2022. The equity share capital increased by 13.68 % from ₹ 7,459.12 lakhs as at March 31, 2022 to ₹ 8,479.63 lakhs as at March 31, 2023. Furthermore, the equity share capital increased by 16.99 % from ₹ 8,479.63 lakhs as at March 31, 2023 to ₹ 9,920.66 lakhs as at September 30, 2023.

Other Equity

Our other equity increased by 6.17 % from ₹ 1,41,969.34 lakhs as at March 31, 2021 to ₹ 1,50,726.22 lakhs as at March 31, 2022 primarily due to receipt of money against share warrants. The other equity increased from ₹ 1,50,726.22 lakhs as at March 31, 2022 to ₹ 1,54,332.81 lakhs as at March 31, 2023. Furthermore, the other equity increased by 16.69 % from ₹ 1,54,332.81 lakhs as at March 31, 2023 to ₹ 1,80,098.63 lakhs as at September 30, 2023.

CASH FLOWS

The following table sets forth certain information relating to our cash flows in the years/period indicated:

Particulars	For the year ended			For the six months ended	
	March 31, 2023	March 31, 2022	March 31, 2021	September 30, 2023	September 30, 2022
	(₹ lakhs)				
Net cash flow generated from / (used) in operating activities	(95,634.09)	33,616.57	(94,489.81)	(105,982.72)	(17,238.04)
Net cash used in investing activities	(7,289.83)	(5,079.77)	22,565.98	(7,934.69)	(7,463.18)
Net cash flows generated from/ (used) in financing activities	38,986.79	(44,242.09)	73,431.58	143,692.59	(36,315.59)
Cash and cash equivalents at the end of the year/period	**25,770.63**	**89,707.76**	**1,05,413.05**	**55,545.81**	**28,690.95**

Operating Activities

Six months ended September 30, 2023

In the six months ended September 30, 2023, net cash flow used in operating activities was ₹ 105,982.72 lakhs. While our profit before tax was ₹ 26,062.94 lakhs in the six months ended September 30, 2023, the operating profit before working capital changes was ₹ 22,276.14 lakhs. This was primarily due to adjustments for addition of impairment on financial instruments of ₹ 4,657.46 lakhs and deduction of gain on sale of loan portfolio through assignment of ₹ 10,416.31 lakhs.

The main working capital movement in the six months ended September 30, 2023, included increase in loans of ₹ 95,343.50 lakhs, decrease in other financial liabilities of ₹ 15,094.77 lakhs and decrease in fixed deposits of ₹ 9,163.79 lakhs. The cash used in operating activities post working capital changes in the six months ended September 30, 2023 was ₹ 103,661.79 lakhs and income taxes paid was ₹ 2,320.93 lakhs.

Six months ended September 30, 2022

In the six months ended September 30, 2022, net cash flow used in operating activities was ₹ 17,238.04 lakhs. While our loss before tax was ₹ 20,523.99 lakhs in the six months ended September 30, 2022, the operating profit before working capital changes was ₹ 9,107.46 lakhs. This was primarily due to adjustments for addition of impairment on financial instruments of ₹ 33,747.25 lakhs and deduction of gain on sale of loan portfolio through assignment of ₹ 5,291.19 lakhs.

The main working capital movement in the six months ended September 30, 2022, included increase in loans of ₹ 33,593.24 lakhs and increase in other financial liabilities of ₹ 7621.37 lakhs. The cash used in operating activities post working capital changes in the six months ended September 30, 2022 was ₹ 15,216.51 lakhs and income taxes paid was ₹ 2,021.53 lakhs.

Fiscal 2023

In Fiscal 2023, net cash flow used in operating activities was ₹ 95,634.09 lakhs. While our profit before tax was ₹ 524.07 lakhs in Fiscal 2023, the operating profit before working capital changes was ₹ 22,484.18 lakhs. This was primarily due to adjustments for addition of impairment on financial instruments of ₹ 40,808.22 lakhs and deduction of gain on sale of loan portfolio through assignment of ₹ 21,571.16 lakhs.

The main working capital movement in Fiscal 2023, included increase in loans of ₹ 118,516.18 lakhs, decrease in fixed deposits of ₹ 5,402.76 lakhs and decrease in other financial liabilities of ₹ 1,040.32 lakhs. The cash used in operating activities post working capital changes in Fiscal 2023 was ₹ 91, 868.66 lakhs and income taxes paid was ₹ 3,765.43 lakhs.

Fiscal 2022

In Fiscal 2022, net cash flow generated from operating activities was ₹ 33,616.57 lakhs. While our profit before tax was ₹ 3,417.86 lakhs in Fiscal 2022, the operating profit before working capital changes was ₹ 21, 830.88 lakhs. This was primarily due to adjustments for addition of impairment on financial instruments of ₹ 18,073.66 lakhs and deduction of Gain on sale of loan portfolio through assignment of ₹ 5,165.51lakhs.

The main working capital movement in Fiscal 2022, included decrease in loans of ₹ 33,465.92 lakhs, increase in deposits of ₹ 11,638.69 lakhs and decrease in other financial liabilities of ₹ 6,731.16 lakhs. The cash generated from operating activities post working capital changes in Fiscal 2022 was ₹ 37,633.25 lakhs and income taxes paid was ₹ 4,016.68 lakhs.

Fiscal 2021

In Fiscal 2021, net cash flow used in operating activities was ₹ 94,489.81 lakhs. While our loss before tax was ₹ 975.39 lakhs in Fiscal 2021, the operating profit before working capital changes was ₹ 21, 977.31 lakhs. This was primarily due to adjustments for addition of impairment on financial instruments of ₹ 27,902.65 lakhs and deduction of gain on sale of loan portfolio through assignment of ₹ 11,191.52 lakhs.

The main working capital movement in Fiscal 2021, included increase in loans of ₹ 1,07,931.20 lakhs, increase in deposits of ₹ 9,011.55 lakhs and increase in other financial liabilities of ₹ 3,958.93 lakhs. The cash used in operating activities post working capital changes in Fiscal 2021 was ₹ 93,162.22 lakhs and income taxes paid was ₹ 1,327.59 lakhs.

Investing Activities

Six months ended September 30, 2023

Net cash used in investing activities was ₹ 7,934.69 lakhs in the six months ended September 30, 2023, primarily on purchase of investments of ₹ 523,818.10 lakhs and purchase of property, plant & equipment of ₹ 530.28 lakhs. This was partially offset by proceeds from sale of investments of ₹ 516,348.56 lakhs and proceeds from sale of property, plant & equipment of ₹ 65.13 lakhs.

Six months ended September 30, 2022

Net cash used in investing activities was ₹ 7,463.18 lakhs in the six months ended September 30, 2022, primarily on purchase of investments of ₹ 272,528.17 lakhs and purchase of property, plant & equipment of ₹ 602.67 lakhs. This was partially offset by proceeds from sale of investments of ₹ 265,652.34 lakhs and proceeds from sale of property, plant & equipment of ₹ 15.15 lakhs and dividend income of ₹ 0.17 lakhs.

Fiscal 2023

Net cash used in investing activities was ₹ 7,289.83 lakhs in Fiscal 2023, primarily on purchase of investments of ₹ 5,30,931.63 lakhs, purchase of property, plant & equipment of ₹ 969.19 lakhs; purchase of intangible assets of ₹ 24.51 lakhs. This was partially offset by proceeds from sale of investments of ₹ 5,24,563.07 lakhs, proceeds from sale of property, plant & equipment of ₹ 72.26 lakhs and dividend income of ₹ 0.17 lakhs.

Fiscal 2022

Net cash used in investing activities was ₹ 5,079.77 lakhs in Fiscal 2022, primarily on purchase of investments of ₹ 4,77,085.63 lakhs and purchase of property, plant & equipment of ₹ 593.53 lakhs. This was partially offset by sale of investments of ₹ 4,72.551.88 lakhs, proceeds from sale of property, plant & equipment of ₹ 44.36 lakhs and dividend income of ₹ 3.15 lakhs.

Fiscal 2021

Net cash generated from investing activities was ₹ 22,565.98 lakhs in Fiscal 2021, primarily on sale of other investments (net) of ₹ 24,537.24 lakhs and proceeds from sale of property, plant and equipment and intangible assets of ₹ 32.05 lakhs. This was partially offset by purchase of property, plant and equipment and capital work-in progress and intangible assets of ₹ 2,003.31 lakhs.

Financing Activities

Six months ended September 30, 2023

Net cashflow generated from financing activities was ₹ 143,692.59 lakhs for the six months ended September 30, 2023 primarily attributable to proceeds from borrowings other than debt securities of ₹ 370,699.22 lakhs; proceeds from debt securities of ₹ 19,386.62 lakhs; proceeds from issue of share capital and share warrants (including premium and net of share issue expenses) of ₹ 8,781.24 lakhs; This was partially offset by repayment of borrowings other than debt securities of ₹ 200,114.44 lakhs; repayment of debt securities of ₹ 47,323.82 lakhs; repayment of subordinate liabilities of ₹ 7,152.39 lakhs and lease payments of ₹ 583.84 lakhs.

Six months ended September 30, 2022

Net cashflow used in financing activities was ₹ 36,315.59 lakhs for the six months ended September 30, 2022 primarily attributable to repayment of borrowings other than debt securities of ₹ 197,288.67 lakhs; repayment of debt securities of ₹ 25,500.70 lakhs; repayment of subordinate liabilities of ₹ 7,684.89 lakhs and lease payments of ₹ 162.52 lakhs; This was partially offset by proceeds from borrowings other than debt securities of ₹ 182,337.96 lakhs; proceeds from debt securities of ₹ 9,483.23 lakhs; and proceeds from issue of share capital and share warrants (including premium and net of share issue expenses) of ₹ 2,500 lakhs.

Fiscal 2023

Net cashflow generated from financing activities was ₹ 38,986.79 lakhs in Fiscal 2023 primarily attributable to proceeds from borrowings other than debt securities of ₹ 4,24,769.35 lakhs; proceeds from debt securities of ₹ 28,209.32 lakhs; proceeds from issue of share capital and share warrants (including premium and net of share issue expenses) of ₹ 6,218.75

lakhs; This was partially offset by repayment of borrowings other than debt securities of ₹ 3,71,545.96 lakhs; repayment of debt securities of ₹ 38,043.56 lakhs; repayment of subordinate liabilities of 9,890.93 lakhs and lease payments of 730.18 lakhs.

Fiscal 2022

Net cashflow used in financing activities was ₹ 44,242.09 lakhs in Fiscal 2022 primarily attributable to repayment of borrowings other than debt securities of ₹ 3,16,735.27 lakhs; repayment of debt securities of ₹ 81,783.71 lakhs; lease payments of ₹ 354.99 lakhs; and repayment of subordinate liabilities of ₹ 5,370.18 lakhs. This was partially offset by proceeds from borrowings other than debt securities of ₹ 3,19,963.64 lakhs; proceeds from debt securities of ₹ 29,585.32 lakhs; and proceeds from issue of share capital and share warrants (including premium and net of share issue expenses) of ₹ 10,453.10 lakhs.

Fiscal 2021

Net cashflow generated from financing activities was ₹ 73,431.58 lakhs in Fiscal 2021 primarily attributable to proceeds from borrowings other than debt securities of ₹ 2,46,712.15 lakhs; proceeds from debt securities of ₹ 1,05,857.97 lakhs; proceeds from issue of share capital and share warrants (including premium and net of share issue expenses) of ₹ 8,716.62 lakhs and proceeds from subordinated liabilities of ₹ 304.77 lakhs. This was partially offset by repayment of borrowings other than debt securities of ₹ 2,61,983.40 lakhs; repayment of debt securities of ₹ 21,542.85 lakhs; lease payments of 463.91 lakhs; and repayment of subordinate liabilities of 4,169.77 lakhs.

LIQUIDITY AND CAPITAL RESOURCES

We have historically financed the expansion of our business and operations primarily through equity infusion, debt financing and funds generated from our operations. From time to time, we may obtain term loan facilities to meet our funding requirements.

INDEBTEDNESS

Our Company has availed loans and other financing arrangements in the ordinary course of business primarily for onward lending to our borrowers and to meet its business requirements.

As of September 30, 2023, we had total borrowings of ₹ 7,28,286.94 lakhs. Our total borrowings to total equity ratio was 3.83 as of September 30, 2023.

Further, as of September 30, 2023, we have outstanding debt securities of ₹ 81,922.60 lakhs.

CONTINGENT LIABILITIES

The following is a summary table of our contingent liability as at September 30, 2023:

a. The Parent Company has received income tax notice under section 143(3) of the Income Tax Act 1961 dated April 05, 2021 for tax demand amounting to ₹ 194.63 lakhs on account of disallowance of expenses under section 43B and 36(1)(va) for assessment year 2018-19. In response to such notice, the company had filed rectification under section 154 and correspondingly received the order under said section dated March 12, 2023 from assessing office reducing the demand to ₹ 64.96 lakhs. The company has also filed an appeal with CIT (A) against such demand which is pending for hearing.

b. The Parent Company has received income tax notice under section 143(3) of the Income Tax Act, 1961 dated September 24, 2022 for tax demand amounting to ₹ 67.35 lakhs on account of disallowance under section 14A for assessment year 2020-21. In response to such notice, the company has filed an appeal with CIT (A) against such demand which is pending for hearing.

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

Particulars	Amount (in ₹ lakhs)
The Group has undrawn exposure towards borrowers	3,200.17
Total	3,200.17

OFF-BALANCE SHEET ARRANGEMENTS

We do not have any off-balance sheet arrangements, swap transactions or relationships with affiliates or other unconsolidated entities or financial partnerships that materially affect our financial condition or results of operations.

RELATED PARTY TRANSACTIONS

We have in the past entered into related party transactions and may continue to do so in future. Such transactions are for, among others, remuneration, personal guarantees, sitting fees, interest income, inter corporate loan, rent and purchase of property, plant and equipment. For further information on our related party transactions, see "***Related Party Transactions***" on page 76.

INTEREST COVERAGE RATIO

The following table sets out interest coverage ratio for the six months period ended September 30, 2023 and Fiscal 2023, 2022 and 2021.

(₹ in lakhs, except percentages)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2023	For the half year ended Sept 30, 2023*
(A) Profit/(Loss) after tax	(1,398.22)	2,069.89	481.31	19,464.96
(B) Provisions and write-off **	30,187.72	21,029.77	40,912.90	4,470.95
(C) Depreciation	1,507.63	1,574.02	1,839.37	1,042.24
(D) Finance costs	63,786.71	62,590.71	61,673.10	40,216.83
(E) Adjusted Profit (A+B+C+ D)	94,083.84	87,264.39	104,906.68	65,194.98
(F) Finance Cost	63,786.71	62,590.71	61,673.10	40,216.83
(G) **Interest Coverage Ratio (%) (E/F*100)**	147.50%	139.42%	170.10%	162.11%

** not annualized*

*** includes provision and written along with the reversal thereof on business correspondence arrangement which is shown in other expenses in the financial statements of respective years and condensed financial statements for the half year ended September 30, 2023.*

Auditor Reservations, qualifications or adverse remarks

Except as set out below, there have been no reservations/ qualifications/ adverse remarks/ emphasis of matters highlighted by the statutory auditors of our Company (on a consolidated basis) in the three Fiscals immediately preceding the year of this Preliminary Placement Document:

Fiscal 2021

"*We draw attention to Note 54 to the accompanying consolidated financial statements, which describes significant uncertainties due to the outbreak of COVID-19 pandemic. The impact of the pandemic on the operations of the Company and its financial position as at 31 March 2021 including the measurement of expected credit losses on the loan assets are significantly dependent on uncertain future economic conditions. Our opinion is not modified in respect of this matter.*"

Fiscal 2022

"We draw attention to Note 53 to the accompanying consolidated financial statements, which describes significant

uncertainties due to the outbreak of COVID-19 pandemic. The impact of the pandemic on the operations of the Company and its financial position as at March 31, 2022 including the measurement of expected credit losses on the loan assets are significantly dependent on uncertain future economic conditions. Our opinion is not modified in respect of this matter."

Fiscal 2023

*"**Matter related to subsidiary Company – Satin Finserv Limited (SFL)***

We draw attention to Note no. 54 to the consolidated financial statements which explain that, during the year, Taraashna Financial Services Limited (i.e. "TFSL") (amalgamating entity) was amalgamated with Satin Finserv Limited vide Hon'ble NCLT Order dated January 31, 2023. The scheme got effective from March 01, 2023. The Appointed Date of Scheme is April 01, 2021. By the effect of Appointed Date (i.e., April 01, 2021), the financial numbers of SFL for the financial year ended March 31, 2022, are also restated due to amalgamation of the merged entity i.e. TFSL with the SFL.

We further draw attention to Note No 54 to the consolidated financial statements which explains that due to the amalgamation of the amalgamating entity with the SFL, which is registered as a Non-Banking Financial Company (NBFC), as on March 31, 2023, SFL is not fulfilling Principal Business Criteria laid down by the RBI. As per the criteria, at least 50% of total assets of the SFL should be financial assets and at least 50% of the gross income should be from financial activities. SFL meets the first criteria but does not meet the second criteria as on March 31,2023. However, the RBI vide letter dated July 22,2022, has granted time to SFL till March 31, 2024, for fulfilling the said criteria."

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

In the course of ordinary business, we are exposed to market risk, liquidity risk and credit risk. Our Board has overall responsibility for the establishment and oversight of our risk management framework. We manage the risk basis policies approved by the board of directors. Our Board provides principles for overall risk management.

Credit risk

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

i. *Trade receivables*

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

ii. *Other financial assets measured at amortized cost*

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

iii. *Loans*

Liquidity risk is defined as the risk that we will not be able to settle or meet our obligations on time or at reasonable price. Our objective is to at all times maintain continuity of optimum levels of liquidity to meet our fund requirements. We closely monitor our liquidity position and maintain adequate source of financing through the use of cash credit facility, demand loans, commercial credit cards, vehicle refinance, unsecured loan, public deposit. Processes and policies related to such risks are overseen by our treasury department under guidance of the senior management. We have access to a variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders. We assessed the concentration of risk with respect to refinancing its debt and concluded it to be low.

Liquidity Risk

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

Market Risk

i. *Foreign currency risk*

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

ii. *Interest rate risk*

a) *Liabilities*
Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Group's policy is to minimise interest rate cash flow risk exposures on long-term financing.

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

Price Risk

i. *Exposure*

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

ii. *Sensitivity*

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

Impact on profit after tax

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Mutual fund, Certificate of deposits and commercial paper			
Net asset value- increase by 5%	-	2.99	2.90
Net asset value- decrease by 5%	-	(2.99)	(2.90)

UNUSUAL OR INFREQUENT EVENTS OR TRANSACTIONS

Except as described in this Preliminary Placement Document, there have been no other events or transactions that, to our knowledge, may be described as "unusual" or "infrequent" that may impact our business operation or future financial performance.

SIGNIFICANT ECONOMIC CHANGES THAT MATERIALLY AFFECT OR ARE LIKELY TO AFFECT INCOME FROM CONTINUING OPERATIONS

Other than as described in "***- Significant factors affecting our results of operations and financial condition***" on page 133 to the knowledge of our management, there are no other significant economic changes that materially affect or are likely to affect income from continuing operations.

KNOWN TRENDS OR UNCERTAINTIES

Our business has been affected and we expect will continue to be affected by the trends identified above in the heading titled "***- Significant factors affecting our results of operations and financial condition***" and the uncertainties described in the section "***Risk Factors***" on pages 133 and 77, respectively. To our knowledge, except as described or anticipated in this Preliminary Placement Document there are no known factors which we expect will have a material adverse impact on our revenues or income from continuing operations.

FUTURE RELATIONSHIP BETWEEN COST AND INCOME

Other than as described in "***Risk Factors***", "***Our Business***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" on pages 77, 217 and 130, respectively, to our knowledge there are no known factors that may adversely affect our business, prospects, results of operations, financial condition and cash flows.

NEW PRODUCTS OR BUSINESS SEGMENTS

Except as set out in this Preliminary Placement Document, we have not announced and do not expect to announce in the near future any new business segments.

COMPETITIVE CONDITIONS

We operate in a competitive environment. See "***Our Business***", "***Industry Overview***", "***Risk Factors***" and **"*- Significant factors affecting our Results of Operations and Financial Conditions- Competition*"** on pages 217, 172, 77 and 136, respectively, for further details on competitive conditions that we face across our various business verticals.

SEASONALITY/ CYCLICALITY OF BUSINESS

Except as disclosed in this Preliminary Placement Document, our business is not subject to seasonality or cyclicality. For further information, see "***Industry Overview***" and "***Risk Factors-Our business is subject to seasonal volatility, which may contribute to fluctuations in our results of operations and financial condition***." on pages 172 and 105, respectively.

SIGNIFICANT DEVELOPMENTS AFTER SEPTEMBER 30, 2023 THAT MAY AFFECT OUR FUTURE RESULTS OF OPERATIONS

Other than as disclosed in this Preliminary Placement Document and except as disclosed below, no circumstances have arisen since the date of the last financial information disclosed in this Preliminary Placement Document which materially and adversely affect or are likely to affect, our trading or profitability, or the value of our assets or our ability to pay our liabilities within the next 12 months.

A private sector bank ("**Bank**"), pursuant to its letter dated December 12, 2023, sanctioned co-lending arrangement with our Company for a sanction limit of Rs 50 crores. The Bank and our Company propose to undertake co-lending activities to provide financial support for eligible MFIs comprising joint liability group products or long-term loans. Co lending arrangement is subject to execution of the master agreement, in accordance with guidelines issued by the RBI on Co-Lending by Banks and NBFCs to Priority Sector dated November 5, 2020, as amended, from time to time.

INDUSTRY OVERVIEW

Unless otherwise indicated, the industry and market data contained in this section is derived from the report titled "Analysis of Microfinance Industry in India" dated November 2023 prepared by CRISIL Limited, and which has been exclusively commissioned by our Company in connection with the Issue ("CRISIL Report"). The data may have been re-classified by us for the purposes of presentation. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts, and assumptions that may prove to be incorrect. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. The recipient should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction. While preparing its report, CRISIL Limited has also sourced information from publicly available sources, including our Company's financial information available publicly. However, financial information relating to our Company presented in other sections of this Preliminary Placement Document has been prepared in accordance with Ind AS and restated in accordance with the SEBI ICDR Regulations. Accordingly, the financial information of our Company in this section is not comparable with Ind AS financial information presented elsewhere in this Preliminary Placement Document.

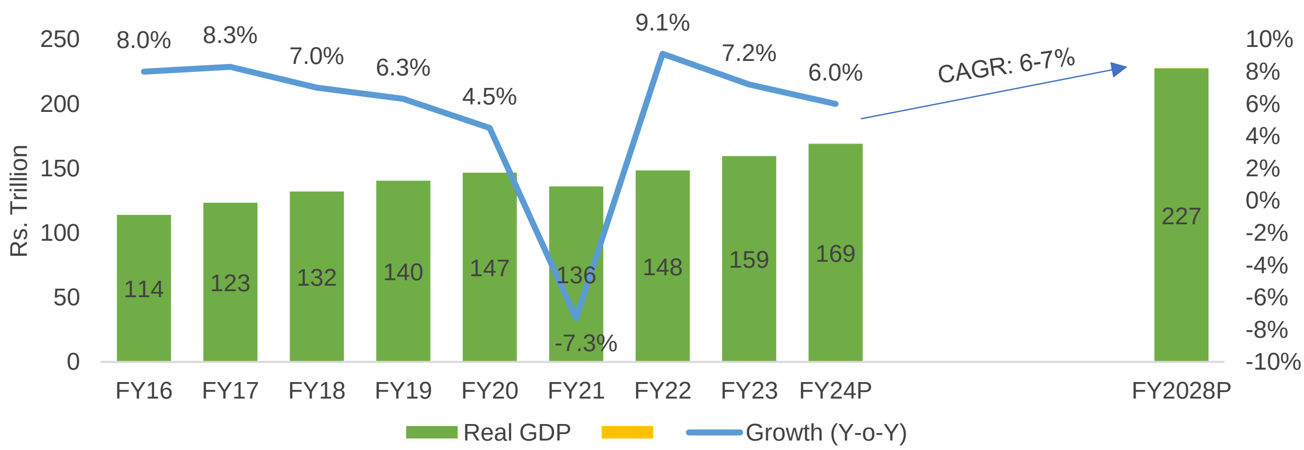
*A copy of the CRISIL Report is available on the website of our Company at www.satincreditcare.com. Also see "**Presentation of Financial and Other Information**", "**Industry and Market Data**" and "**Risk Factors – Industry information included in this Preliminary Placement Document has been derived from an industry report prepared by CRISIL and exclusively commissioned and paid for by us for such purpose"** on pages 12, 18 and 103, respectively.*

OVERVIEW OF MACROECONOMIC SCENARIO IN INDIA

India to remain one of the fastest growing economies amid global slowdowns

India has shown a fair degree of resilience to the four Cs affecting the global economy — COVID-19, conflict (geopolitical), climate change, and central bank actions — Despite global slowdown, tightening of monetary conditions, and high inflation, India recorded a higher economic growth rate compared to many peer economies owing to its relatively strong local consumption, limited reliance on global demand, and continued resilience macro tailwinds. The growth pattern though, highlights two key features- faster recovery and resilience.Fired by the superlative performance of agriculture and continued resilience of construction and services, gross domestic product (GDP) growth in the fourth quarter of fiscal 2023 was revised to 6.1% from 5.1% estimated earlier. That lifted the growth number for fiscal 2023 to 7.2%. However, nominal GDP growth of India tapered to 10.4% year-on-year during Q4 FY23, from 11.4% year-on-year in Q3 FY23, due to the price-effect (GDP deflator slowed to 4.1% from 6.6%). India is expected to remain the fastest growing economy in the world, with GDP growth projected at 6.0% in fiscal 2024 as per CRISIL MI&A. Multiple risks remain to the growth outlook including sluggish exports and lagged impact of rate hikes on the economy.

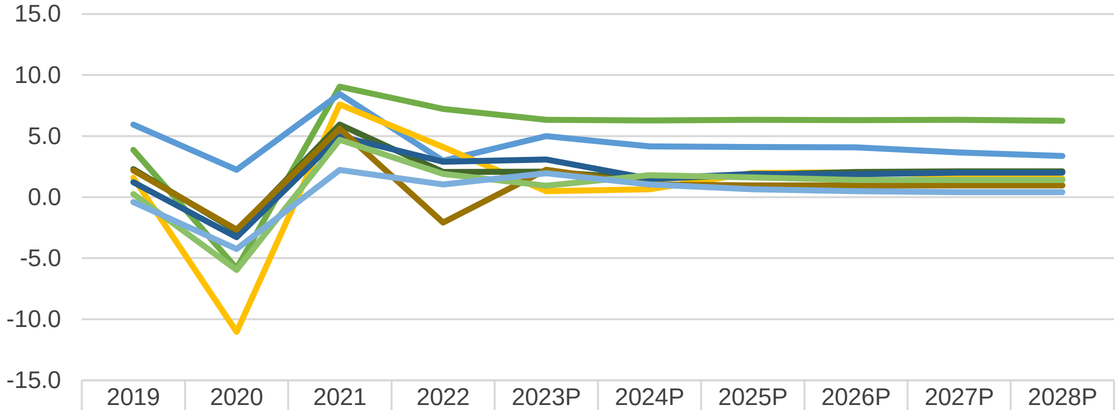
India's economy to grow at 6.0% in fiscal 2024



Note: P = Projected; GDP growth till fiscal 2023 is actuals. GDP Projections for fiscals 2023- 2024 is projected based on CRISIL MI&A estimates and that for fiscals 2025-2028 based on IMF estimates
Source: NSO, CRISIL MI&A, IMF (World Economic Outlook – October 2023 update)

Over the past three fiscals, Indian economy has outperformed its global counterparts by witnessing a faster growth. Going forward as well, IMF projects that Indian economy will remain strong and would continue to be one of the fastest growing economies.

India is among the fastest-growing major economies (GDP growth, % year-on-year)



	2019	2020	2021	2022	2023P	2024P	2025P	2026P	2027P	2028P
India	3.9	-5.8	9.1	7.2	6.3	6.3	6.3	6.3	6.3	6.3
China	6.0	2.2	8.5	3.0	5.0	4.2	4.1	4.1	3.7	3.4
United Kingdom	1.6	-11.0	7.6	4.1	0.5	0.6	2.0	2.1	1.8	1.5
United States	2.3	-2.8	5.9	2.1	2.1	1.5	1.8	2.1	2.1	2.1
Brazil	1.2	-3.3	5.0	2.9	3.1	1.5	1.9	1.9	2.0	2.0
Russia	2.2	-2.7	5.6	-2.1	2.2	1.1	1.0	1.0	1.0	1.0
South Africa	0.3	-6.0	4.7	1.9	0.9	1.8	1.6	1.4	1.4	1.4
Japan	-0.4	-4.2	2.2	1.0	2.0	1.0	0.7	0.5	0.4	0.4

Note: All forecasts refer to IMF forecasts. GDP growth is based on constant prices, Data represented is for calendar years, P: Projected
Source: IMF (World Economic Outlook – October 2023 update), CRISIL MI&A

Macroeconomic outlook for Fiscal 2024

Macro variables	FY23	FY24P	Rationale for outlook
GDP (y-o-y)	7.2%	6.0%	Slowing global growth is likely to weaken India's exports in Fiscal 2024. Domestic demand could also come under pressure as Reserve Bank of India (RBI) rate hikes are transmitted to consumers. Despite the lower forecast, India continuous to grow at highest rate in world.
Consumer price index (CPI) inflation (y-o-y)	6.7%	5.5%	Lower commodity prices, base effect, and cooling off domestic demand is likely to help in moderating inflation in Fiscal 2024.
10-year Government security yield (Fiscal end)	7.4%	7.0%	A moderate increase in gross market borrowings is budgeted for Fiscal 2024. This, coupled with lower inflation, is likely to moderate yields in Fiscal 2024.
CAD (Current account balance)/GDP (%)	-2.0%	-1.8%	Lower commodity prices, especially in energy space and support from healthy services exports is expected to lead to moderation of trade deficit in Fiscal 2024
Rs/$ (March average)	82.3	83.0	While a lower current account deficit (CAD) will support the rupee, challenging external financing conditions will continue to exert pressure in the next Fiscal. However, the overall impact on the rupee is expected to remain below the levels indicated by current forward premiums for the year.

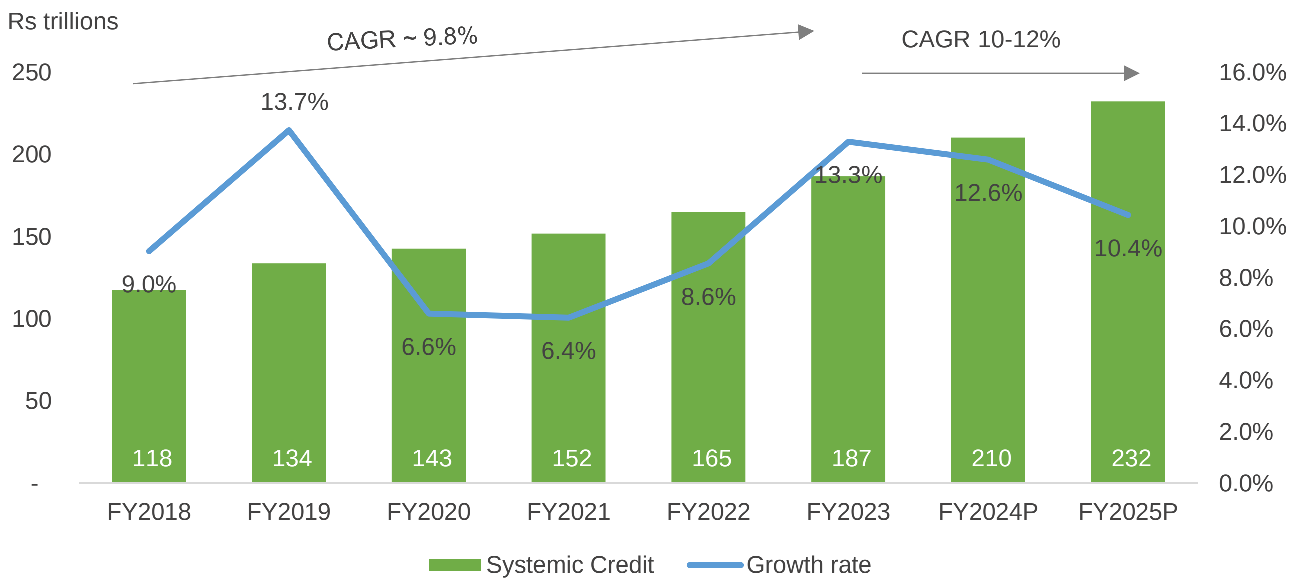
Note: P – Projected
Source: Reserve Bank of India (RBI), National Statistics Office (NSO), CRISIL MI&A

OVERALL CREDIT SCENARIO IN INDIA

Systemic credit to grow at 10%-12% CAGR between 2023-2025

Corporate credit determines the growth in overall credit as it accounts for nearly two-third of systemic credit. The slowdown in economic activity, coupled with heightened risk aversion among lenders, tightened the overall credit growth to approximately 6.6% in Fiscal 2020. In Fiscal 2021, credit grew by ~6.4% supported by disbursements to MSMEs under the Emergency Credit Line Guarantee Scheme (ECLGS) and an uptick in economic activity post the COVID-19 lockdown. In Fiscal 2022, the systemic credit growth picked up steam despite the second wave of COVID-19 hurting economic growth in the first quarter of the Fiscal. The systemic credit grew at 9% from the previous year to reach approximately Rs. 165 trillion. The growth was mainly driven by the budgetary push towards investments, pick-up in private investment, and business activity also slowly humming back to pre-COVID-19 levels. In Fiscal 2023, Systemic credit showed strong growth on back of pent-up retail demand from sectors like housing and auto. Credit demand also grew due to strong credit demand from NBFCs and trade segment. CRISIL MI&A projects systemic credit to grow at 10-12% CAGR between Fiscals 2023 and 2025.

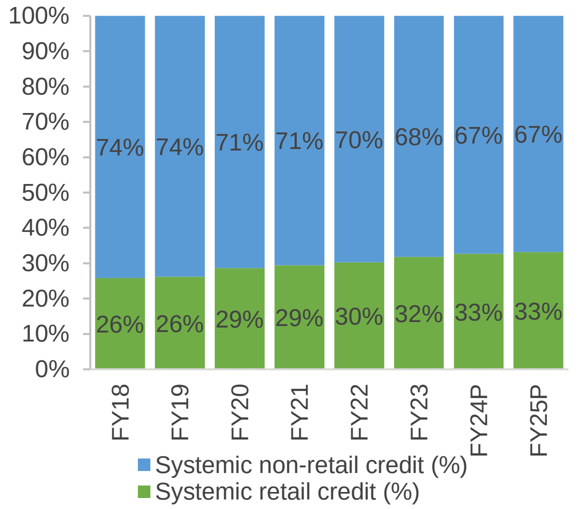
Systemic credit to grow by 10-12% between fiscal 2023 & fiscal 2025



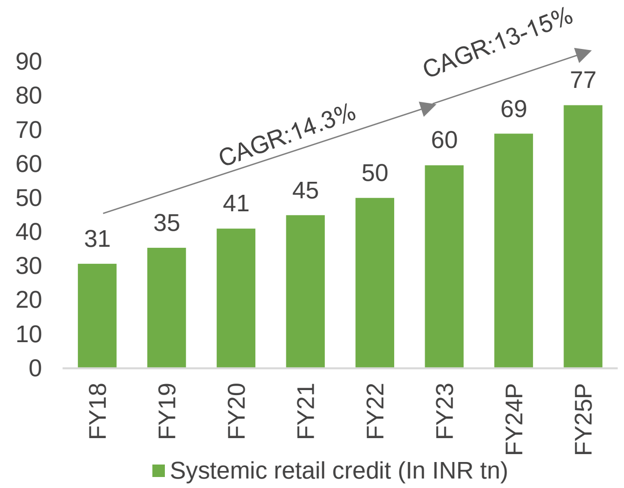
Note: P: Projected; Systemic credit includes domestic banking credit, NBFC credit, commercial papers, external borrowings, corporate bonds excluding those issued by Banks and NBFC
Source: RBI, Company Reports, CRISIL MI&A

While systemic credit in India grew at a tepid rate of 9.8% CAGR annually between Fiscals 2018 and Fiscal 2023, systemic retail credit grew at a much faster rate of 14.3% CAGR during the same period. Retail credit growth in Fiscal 2020 was around approximately 16.3% which came down to approximately 9.5% in Fiscal 2021. However, post-pandemic, retail credit growth revived back to reach approximately 11.3% in Fiscal 2022. CRISIL MI&A estimates retail credit to have grown at ~19-20% year on year in Fiscal 2023. CRISIL MI&A thus expects retail credit growth to continue in the long term with banks and NBFCs' continued focus on the segment.

Retail segment is estimated to account for 32% of overall systemic credit as of Fiscal 2023



Retail credit growth to continue a strong footing in Fiscal 2024



Note: P = Projected
Source: RBI, CRISIL MI&A

Credit penetration in India
Impact of digitization on retail credit

Digital lending products such as instant loans or online personal loans have completely revolutionised retail credit due to great convenience that it offers to the customers. Lenders are increasingly using their web platforms and creating apps to register, score, approve and disburse loans to their customers. For lenders, digitization has enabled them to make informed decision making through business insight generation and data visualization. Moreover, it has improved lead generation for lenders with faster onboarding of customers, comprehensive loan servicing, and fraud detection. For customers, it has become easier to gather information about different lenders with the help of digitization and compare them. Further, online loan application has made it convenient for borrowers to fill loan applications from remote locations, calculate EMIs, check for eligibility of loan amount and provide all documents digitally which enhances customer experience throughout the process and help them make an informed decision.

Impact of digitization on various asset classes

	Consumer loan (Unsecured)	MFI	MSME	Mortgage	Auto
Customer acquisition & onboarding	High	High	High	High	Medium
Credit assessment	High	High	High	Medium	Medium
Documentation	High	Medium	Medium	Medium	Medium
Disbursement	Medium	High	Medium	Medium	Medium
Collection & monitoring	Medium	Low	Medium	Medium	Medium

High Medium Low

Source: CRISIL MI&A

Digitization has played key role across value chain for different retail loan products. Customer acquisition, onboarding and credit assessment processes have been influenced by digitization, particularly for unsecured consumer loans, microfinance, MSME loans and mortgage loans. Online documentation has made it highly convenient for customers for availing unsecured consumer loans. MFIs have reported faster disbursements owing to digitization; however, collections were not affected much as MFI collections are largely cash-based. Due to digitization, retail credit has risen rapidly over the last five fiscals and their share in the overall banking credit mix have been expanding. Going forward, retail credit is expected to continue its strong growth led by digitization and increased credit demand.

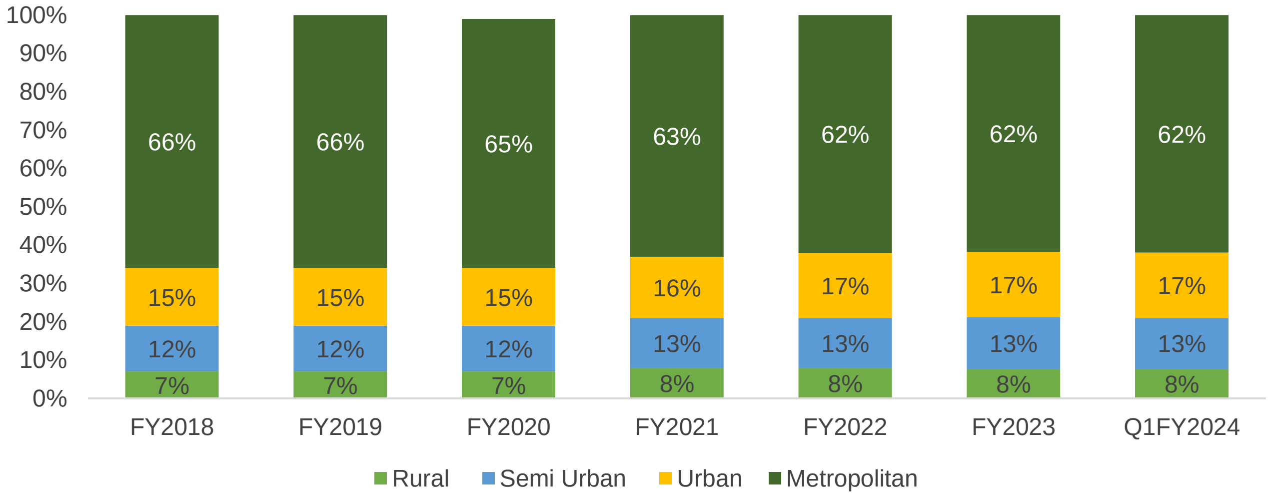
Current scenario and key developments

Rural India – Under penetration and untapped market presents a huge opportunity for growth for financiers

Credit to metropolitan areas has decreased over the past few years with its share decreasing from 66% as of March 31, 2018, to 62% as of June 30, 2023. Between the same period, credit share has witnessed a marginal rise in rural and urban areas. For semi-urban areas, credit share has gone up from 12% as of March 31, 2018, to 13% as of June 30, 2023.

As of March 31, 2023, rural areas, which accounted for 47% of GDP, received just 8% of the overall banking credit, which shows the vast market opportunity for banks and NBFCs to lend in these areas. With increasing focus of government towards financial inclusion, rising financial awareness, increasing smartphone and internet penetration, CRISIL MI&A expects delivery of credit services in rural area to increase. Further, usage of alternative data to underwrite customers will also help the financiers to assess customers and cater to the informal sections of the society in these regions.

Share of rural and semi-urban credit has increased marginally between March 31, 2018, and June 30, 2023



Note: As at the end of each Fiscal and as of June 2023 for Q1FY2024
Source: RBI, MOSPI, CRISIL MI&A

New to credit (NTC) customer - High credit gap in the segment

One of the most compelling reasons for financial institutions, especially NBFCs, to target the NTC market is the enormous credit gap that exists in India. Millions of individuals, especially in rural and semi-urban areas, remain excluded from the formal credit system. This credit gap results from a lack of access to traditional banking services, limited credit history, and various other socio-economic factors.

- **Emerging Middle Class**: As India's middle class continues to grow, many people who were previously unbanked are now entering the formal economy. Financial institutions can cater to their financial needs, including personal loans, small business loans, and more.
- **Digital Transformation**: The proliferation of smartphones and digital infrastructure has made it easier for financial institutions to assess the creditworthiness of NTC customers using alternative data sources.
  Within financial institutions, non-banking financial institutions (NBFCs) are relatively better placed owing to their faster decision making, specialized/ customised product offerings and robust credit underwriting process. Within NBFCs, large NBFCs have several advantages that make them well-placed to tap into the NTC market. Some of the ways in which their size and resources provide a competitive edge are:

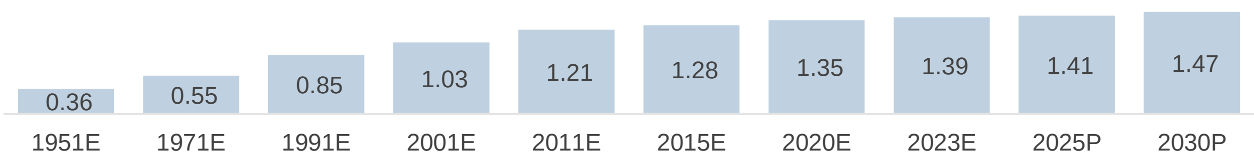
- **Financial Strength**: Large NBFCs typically have more significant financial resources and capital compared to smaller entities. This financial strength enables them to offer a wide range of financial products and services to NTC customers and support their growth initiatives.
- **Technological Infrastructure**: They can invest in advanced technological infrastructure, allowing them to provide digital services and streamline the customer onboarding and loan approval processes, which are critical for serving NTC customers efficiently.
- **Data Analytics and Risk Assessment**: Over the years large NBFCs have developed data analytics and risk assessment models, which are essential for evaluating the creditworthiness of NTC customers who may not have a conventional credit history. These models can utilize alternative data sources for more accurate risk assessment.
- **Wide Geographic Reach**: Large NBFCs often have a broad network of branches and customer touchpoints across different regions. This extensive presence facilitates outreach to NTC customers, especially in rural and semi-urban areas.
- **Brand Recognition**: Recognizable and established brands tend to instil trust in customers. Large NBFCs often enjoy a higher level of brand recognition, which can be advantageous when reaching out to NTC customers, many of whom may be unfamiliar with financial institutions.
- **Diverse Product Portfolio**: Their diverse product portfolio enables large NBFCs to cater to the specific needs and preferences of NTC customers. They can offer various loan types, such as personal loans, small business loans, and consumer finance, tailored to different customer segments.

Indigenous advantages to lift economic growth rate in longer term

Growing population - An asset to the economy

As per the report published (in July 2020) by the National Population Commission, Ministry of Health and Family Welfare, India's population in 2011 was 121 crores, comprising ~24.6 crore households. The decadal growth rate during 2001-2011 stood at 17%. This is estimated to have fallen to 12% during 2011-2021 and is likely to decline further to 9% during 2021-2031. However, with the country's population in 2030 estimated at 147 crores, India will continue to be a major opportunity market from a demand perspective.

India's population growth trajectory (billion)

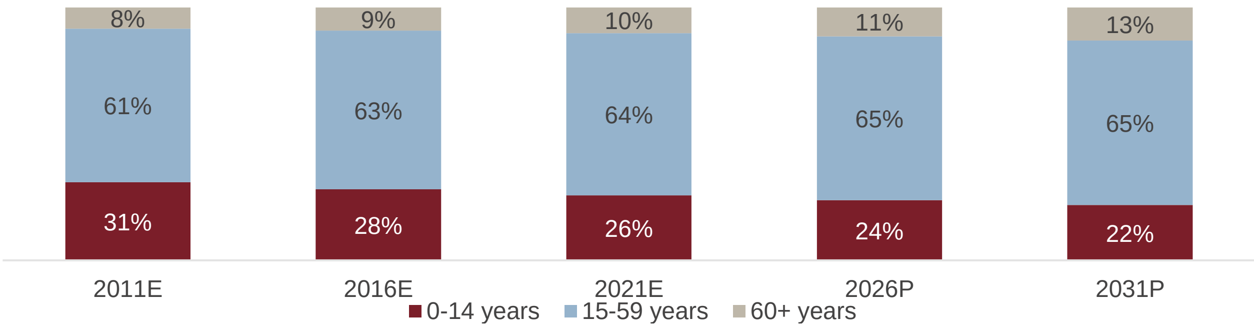


Note: P – Projected, E – Estimates
Source: Census of India 2011, Ministry of Health and Family Welfare, CRISIL MI&A

Favourable demographics

India has one of the world's largest youth populations, with a median age of 28 years. About 90% of Indians are below 60 years of age. It is estimated that 64% of this population is aged between 15 and 59 years. CRISIL MI&A expects that the large share of working population, coupled with rapid urbanisation and rising affluence, will propel growth in the economy.

India's demographic division (share of different age groups in population)

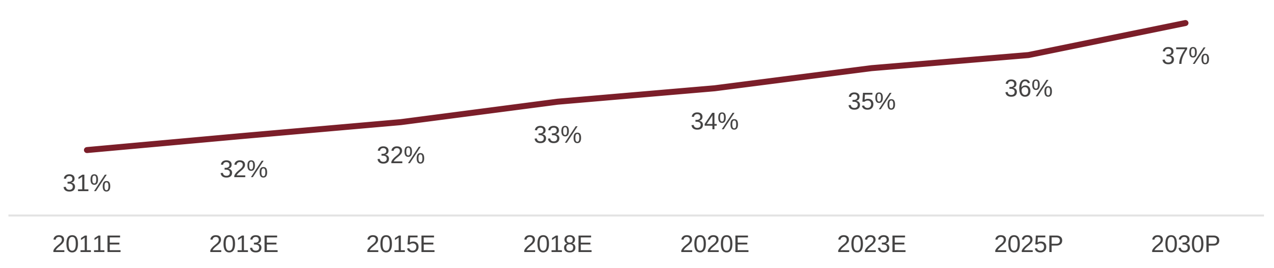


Note: P – Projected, E – Estimates
Source: Census of India 2011, Ministry of Health and Family Welfare, CRISIL MI&A

Urbanisation on the rise

Urbanisation is a key growth driver for India, supporting faster infrastructure development, job creation, development of modern consumer services, and the city's ability to mobilise savings. The share of urban population in total population has been rising consistently and is expected to reach 35% by 2023 from 31% in 2011, spurring demand. Urban consumption in India has shown signs of improvement, and given the country's favourable demographics, coupled with rising disposable incomes, the trend is likely to continue and help domestic economic growth.

Urbanisation population as a percentage of total population in India

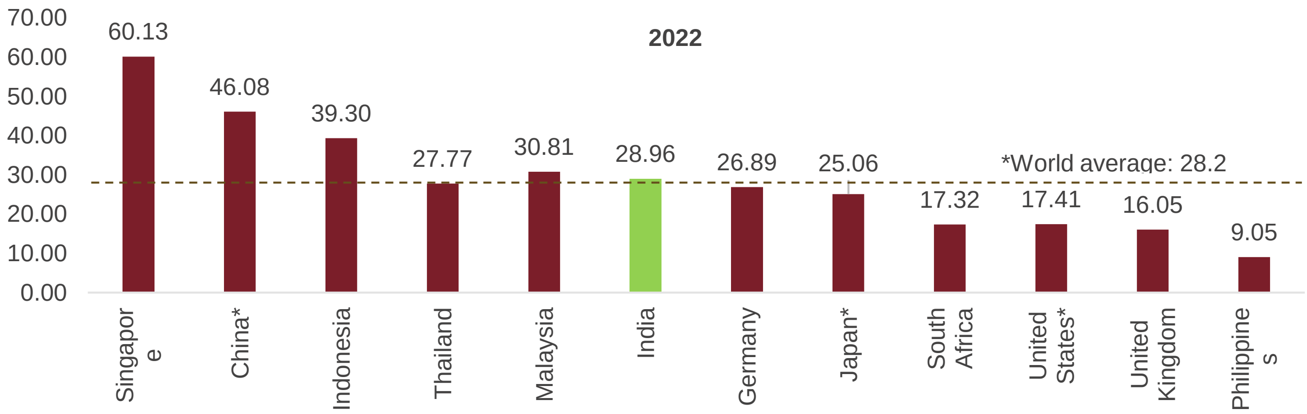


Note: P – Projected, E – Estimates
Source: Census of India 2011, Ministry of Health and Family Welfare, CRISIL MI&A

Household savings decreasing yet higher than world average

According to the World Bank, the savings rate, or the proportion of gross domestic savings (GDS) in India's GDP has trended downward in the past decade. India's GDS peaked at 34.4% of the GDP in fiscal 2007 and dipped to 32.8% in fiscal 2008. This was largely on account of a sharp slowdown in public savings, with the government resorting to fiscal stimulus to address the external shock from the Global Financial Crisis. However, India's domestic savings is still higher at 28.96% at the end of 2022, compared with the world average of 28.2% at the end of 2021.

India's domestic savings (in % of GDP) higher than the world average



Note: The savings rate is in %
**Figures for China, Japan and the United States and world average are based on 2021.*
Source: World Bank, CRISIL MI&A

Structural reforms that will drive future growth of Indian economy

While India has a structural advantage on account of its young workforce, improving consumption pattern and increasing urbanisation, the nation's long-term growth is expected to be supported by the following government initiatives:

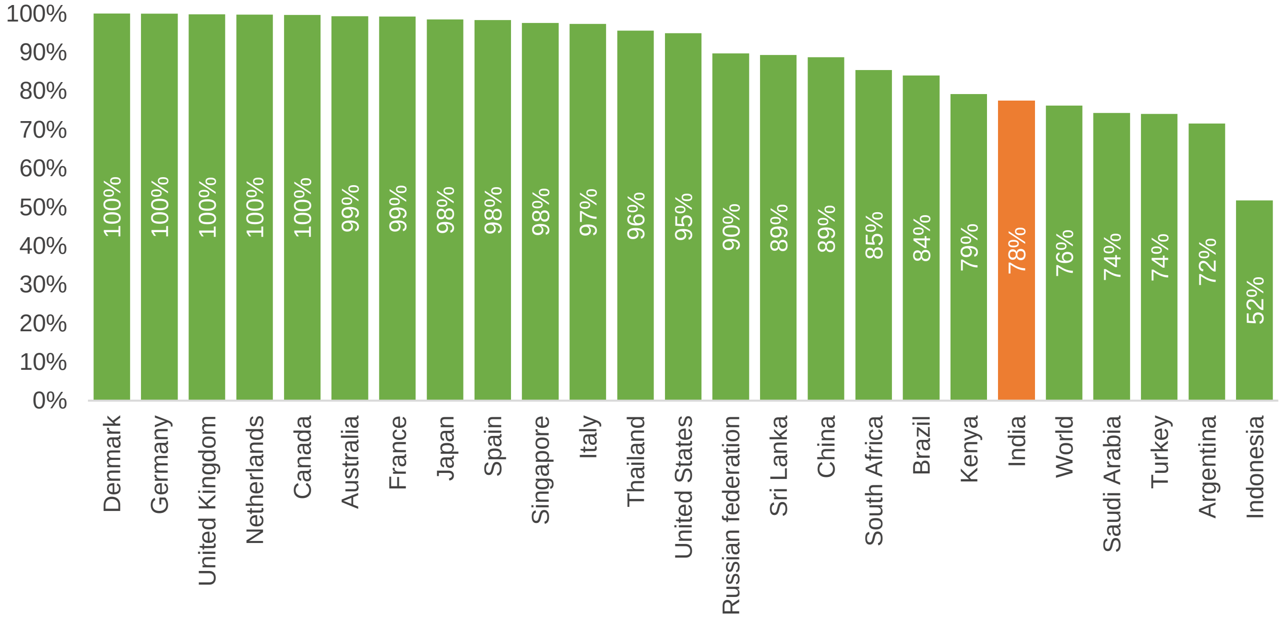
- Focus on infrastructure investments rather than boosting consumption to enhance the productive capacity of the economy.
- The Production Linked Incentive (PLI) scheme which aims to boost local manufacturing by providing volume-linked incentives to manufacturers in specified sectors.
- Policies aimed at greater formalisation of the economy that will accelerate per capita income growth.
- Adoption of digital technology
- The announcement of the National Infrastructure Pipeline to provide better infrastructure for all sectors, enhance ease of living of citizens and make growth more inclusive.
- The National Monetisation Policy of operating public infrastructure assets acts as a key means for sustainable infrastructure financing.
- Inclusion of a larger share of population under health insurance as part of the Ayushman Bharat scheme Initiatives launched by the Indian government to promote financial inclusion such as the Pradhan Mantri Jan Dhan Yojana (PMJDY), Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) and the Pradhan Mantri Suraksha Bima Yojana (PMSBY)

Structural growth drivers of the Indian credit market

Financial Inclusion on a fast path in India

Overall literacy in India is at 77.7% as per the results of recent National Sample Survey Office survey conducted from July 2017 to June 2018 which is still below the world literacy rate of 86.5%. However, according to the National Financial Literacy and Inclusion Survey ("NCFE-FLIS") 2019, only 27% of Indian population is financially literate indicating huge gap and potential for financial services industry. The survey defines financial literacy as combination of awareness, knowledge, skill, attitude and behaviour necessary to make sound financial decisions and ultimately achieve individual financial wellbeing. According to the World Bank's Global Findex Database 2021, the global average of adult population with an account opened with a bank, financial institution or mobile money provider, was approximately 76% in calendar year 2021. India's financial inclusion has improved significantly over calendar years 2014 to 2021 as adult population with bank accounts increased from 53% to 78% (Source: Global Findex Database) due to the Indian government's concentrated efforts to promote financial inclusion and the proliferation of supporting institutions.

Adult population with a bank account (%): India vis-à-vis other countries



Note: 1. Global Findex data for India excludes northeast states, remote islands and selected districts. 2. Account penetration is for the population within the age group of 15+

Source: World Bank - The Global Findex Database 2021, CRISIL MI&A

The two key initiatives launched by the Government of India to promote financial inclusion are the Pradhan Mantri Jan Dhan Yojana ("PMJDY") and Pradhan Mantri Jeevan Jyoti Bima Yojana ("PMJJBY"). Under the PMJDY, the Government of India's aim is to ensure that every household in India has a bank account which they can access from anywhere and avail of all financial services such as savings and deposit accounts, remittances, credit and insurance affordably. PMJJBY is a one-year life insurance scheme that offers a life cover of ₹ 0.2 million at a premium of ₹ 330 per annum per member, which can be renewed every year. The Government of India has also launched the Pradhan Mantri Suraksha Bima Yojana ("PMSBY"), an accident insurance policy that offers an accidental death and full disability cover of ₹ 0.2 million at a premium of ₹ 12 annually. As per the Government of India, more than 100 million people have registered for these two social security schemes.

Digitisation to support economic growth and financial services

Technology is expected to play a pivotal role in taking the financial sector to the next level of growth, by helping to surmount challenges stemming from India's vast geography, which makes physical footprints in smaller locations commercially unviable. Technology is conducive for India, considering its demographic structure where the median age is less than 30 years. The young population is tech savvy and at ease with using it to conduct the entire gamut of financial transactions. With increasing smartphone penetration and faster data speeds, consumers are now encouraging digitisation as they find it more convenient. Digitisation is expected to help improve efficiency and optimise cost. Players with better mobile and digital platforms are expected to draw more customers and emerge as winners in the long term.

OVERVIEW OF NBFC IN INDIA

NBFC credit to grow faster than systemic credit between Fiscals 2023 and 2025

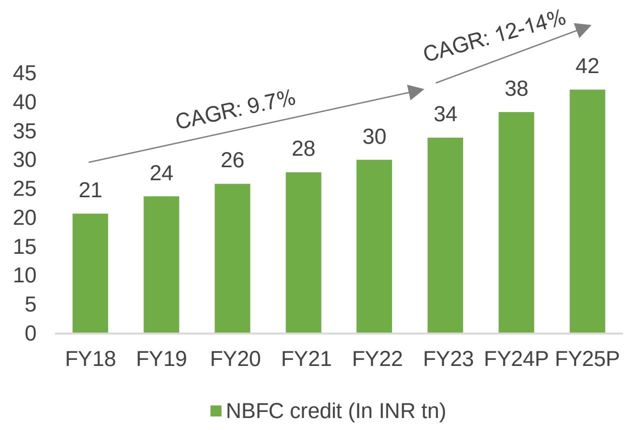
Over the past decade, banking credit growth lagged systemic credit growth for several years as NBFCs grew at a much faster pace. However, the NBFCs suffered a blow after IL&FS defaulted in September 2018. NBFCs not having the advantage of size, rating and/or parentage had to grapple with a liquidity crisis and as raising funding became difficult. Initially, post the IL&FS crisis, banks were expected to fill the space left out by NBFCs.

In the fourth quarter of Fiscal 2020 and the first quarter of Fiscal 2021, with the outbreak COVID-19 pandemic, challenges had intensified for both banks and NBFCs. NBFCs were hit harder in terms of demand, and they also turned cautious as they lend to borrowers with relatively weaker credit profile. In the second half of Fiscal 2021, the Indian economy showed signs of improvement, the effect of which was seen in the credit growth.

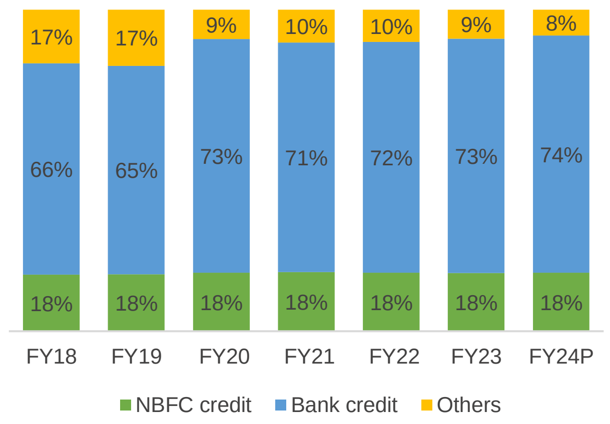
In Fiscal 2022, the second wave of the COVID-19 pandemic led to weak demand for credit in the first quarter of the year. However, the pace of credit recovered, with overall credit growing by 9% and retail credit increasing by 11.3% year-on-year as of March 2022. With the effect of COVID-19 waning, vaccination coverage progressively improving, the situation and growth improved further.

In Fiscal 2023, pace of credit further improved and is at par with pre-COVID level. Overall credit grew by estimated 13.3% and systemic retail credit grew by 19.2%. CRISIL MI&A projects NBFC credit to grow at 12%-14% between Fiscal 2023 and Fiscal 2025. The credit growth will be driven by the retail vertical, including housing, auto, and microfinance segments. Rapid revival in the economy is expected to drive consumer demand in Fiscal 2024, leading to healthy growth NBFCs. Moreover, organic consolidation is underway with larger NBFCs gaining share. Further, growth of the non-banking industry will be driven mainly by NBFCs with strong parentage who have funding advantage over other NBFCs.

NBFC credit to grow at CAGR 12-14% between fiscals 2023 and 2025



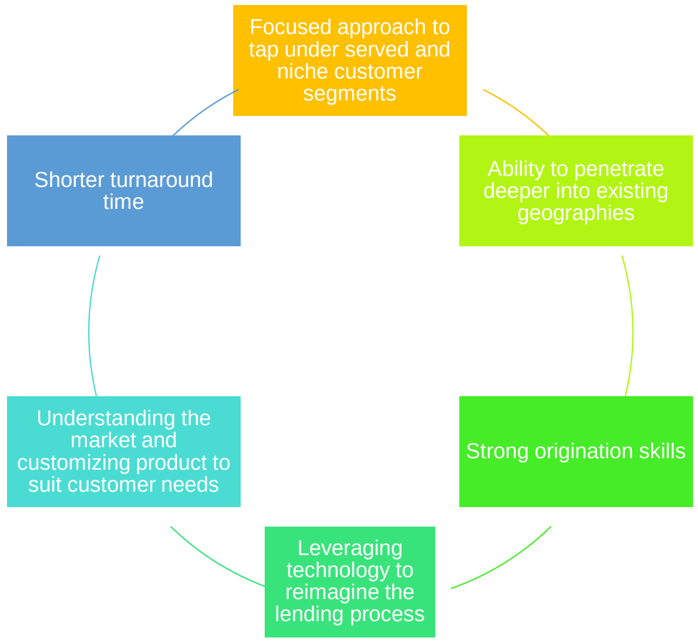
Share of NBFC Credit in Systemic Credit remained at 18% in fiscal 2023



Note: P = Projected; Note: Others include Commercial papers, External borrowings, corporate bonds excluding those issued by Banks and NBFCs
Source: RBI, Company reports, CRISIL MI&A

NBFCs have shown remarkable resilience and gained importance in the financial sector ecosystem, growing from less than ₹ 2 trillion AUM at the turn of the century to ₹ 34 trillion at the end of Fiscal 2023. CRISIL MI&A expects NBFC credit to grow at 12-14% CAGR between fiscal 2023 and fiscal 2025. Their share in the overall credit pie has increased from 12% in Fiscal 2008 to 18% in Fiscal 2023 and projected to be remained stable in fiscal 2024. CRISIL MI&A believes that NBFCs will remain a force to reckon within the Indian credit landscape, given their inherent strength of providing last-mile funding and catering to customer segments that are not catered by Banks.

Growth of NBFCs reflects the customer value proposition offered by them



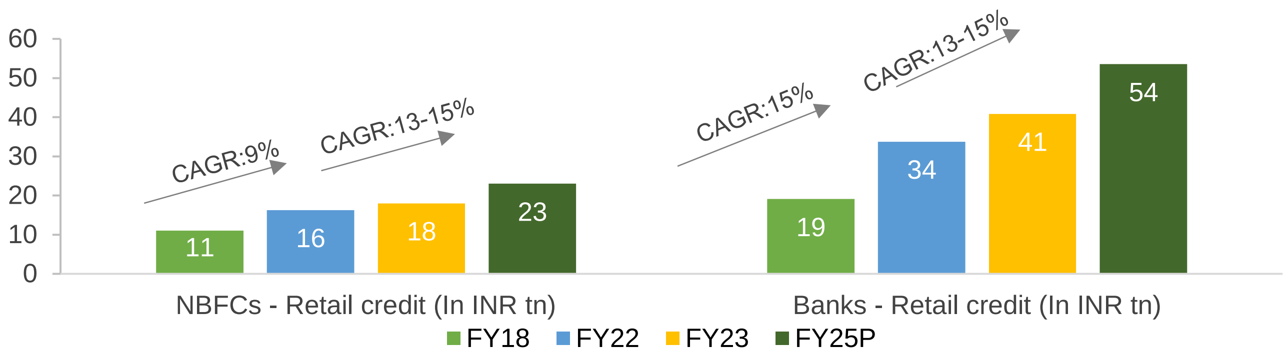
Source: CRISIL MI&A

Retail segment to support NBFCs overall credit growth

Reflecting the growing importance of NBFCs in the financial services landscape and their ability to offer differentiated solutions to meet the requirement of target customers, the market share of NBFCs in overall systemic credit has increased from approximately 16% in Fiscal 2017 to approximately 18% in Fiscal 2023.

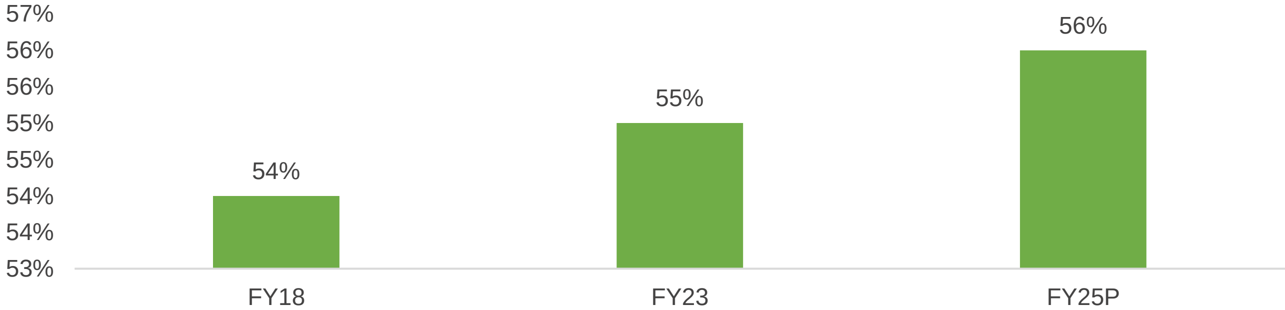
After a moderation in growth post pandemic, NBFCs are back on track with an estimated credit growth of 12-13% during fiscal 2023. Going ahead CRISIL MI&A expects the growth trend to continue with credit growth at 13-14% during fiscal 2024. The industry will continue to witness the emergence of newer NBFCs catering to specific customer segments. The COVID-19 pandemic and consequent acceleration in both adoption of technology and change in consumer habits as well as increasing availability of data for credit decision-making has made it possible to build an NBFC lending business without investing large sums to have brick-and-mortar presence on the ground. Overall, between Fiscal 2023 to Fiscal 2025, CRISIL MI&A forecasts NBFC credit to grow at a CAGR of 12%-14%. Further, retail credit given out by NBFCs is forecast to grow at a pace of 13%-15% CAGR over the same time.

NBFCs retail credit is expected to grow at 13% - 15% CAGR in the next two years



Note: P = Projected; Retail credit above includes housing finance, auto finance, microfinance, gold loans, consumer durable finance, MSME loans, education loans & other smaller segments
Source: Company reports, RBI, CRISIL MI&A

Share of retail credit in total NBFC credit to continue to grow

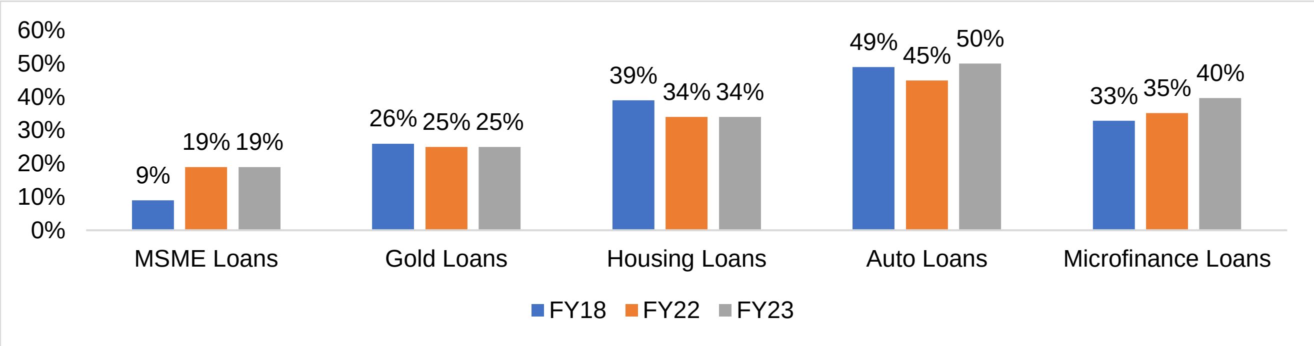


Note: P = Projected; Retail credit above includes housing finance, auto finance, microfinance, gold loans, consumer durable finance, MSME loans, education loans & other smaller segments
Source: Company reports, CRISIL MI&A

NBFCs have a reasonable market share across segments

NBFCs have consistently gained or maintained market share across most asset classes over the last few years. Though, in certain segments such as housing finance to prime customers, they have lost market share to banks due to the decline in market interest rates. In the gold loans market, NBFCs slightly lost market share in Fiscal 2022 due to increasing focus of banks (both public and private) towards gold loans as well as RBI permitting banks to offer gold loans at a higher loan-to-value amidst the COVID-19 pandemic. Nevertheless, NBFCs continue to have a healthy market share across other segments. NBFCs have been able to compete with banks mainly on account of their strong origination skills, extensive reach, better customer service, faster processing, fewer documentation requirements, digitalisation of customer on-boarding process, customised product offerings, local knowledge, and differentiated credit appraisal methodology. Furthermore, by catering to under banked, lower income and mass market customers who are unserved or underserved by banks, NBFCs have enhanced financial inclusion and expanded the market for formal financial services. The rapid evolution of fintechs over the last few years has added another dimension to the market served by NBFCs and has fuelled rapid growth across the landscape.

Market share of NBFCs in overall credit across select asset classes



Source: Company reports. RBI, MFIN, CRISIL MI&A estimates

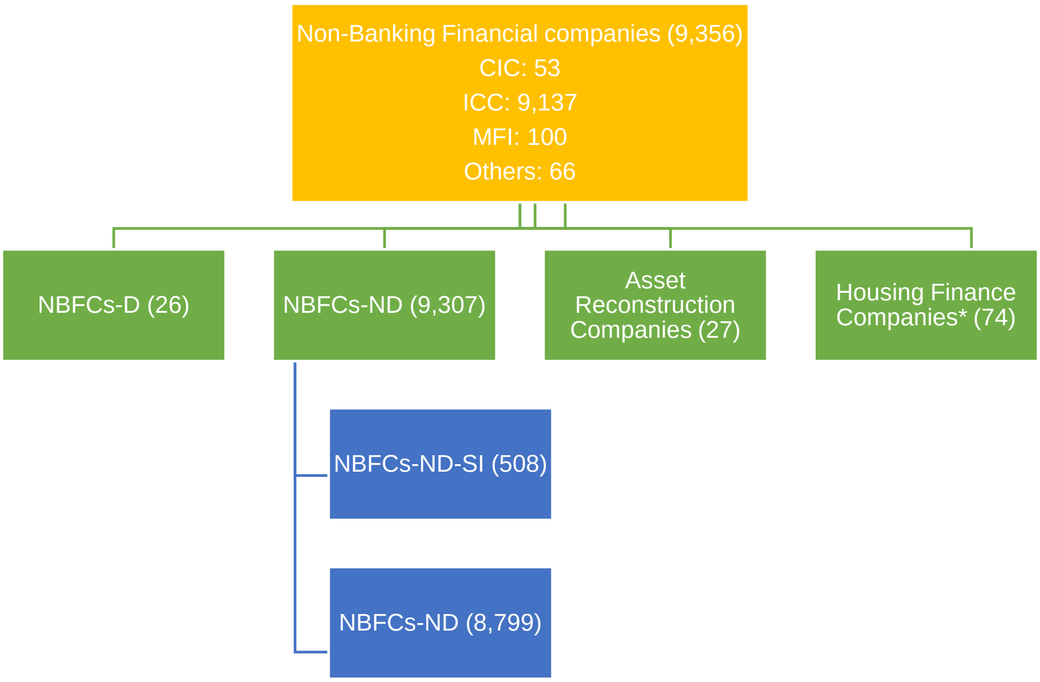
Constituents of NBFC industry in India

The Indian financial system includes banks and non-banking financial companies (NBFCs). Though the banking system dominates financial services, NBFCs have grown in importance by carving a niche for themselves by catering to customers in underbanked regions or those who would not be catered to by traditional financial institutions, due to absence of credit history or lack of proper collateral records.

Classification of NBFCs

NBFCs are classified based on liabilities into two broad categories: a) deposit-taking; and b) non-deposit-taking. Deposit-taking NBFCs are subject to requirements of capital adequacy, liquid assets maintenance, exposure norms, etc. Further, in 2015, non-deposit-taking NBFCs with an asset size of ₹ 5 billion and above were labelled as 'systemically important non-deposit taking NBFCs' ("NBFC–ND–SI") and separate prudential regulations were made applicable to them.

Classification of NBFCs based on liabilities

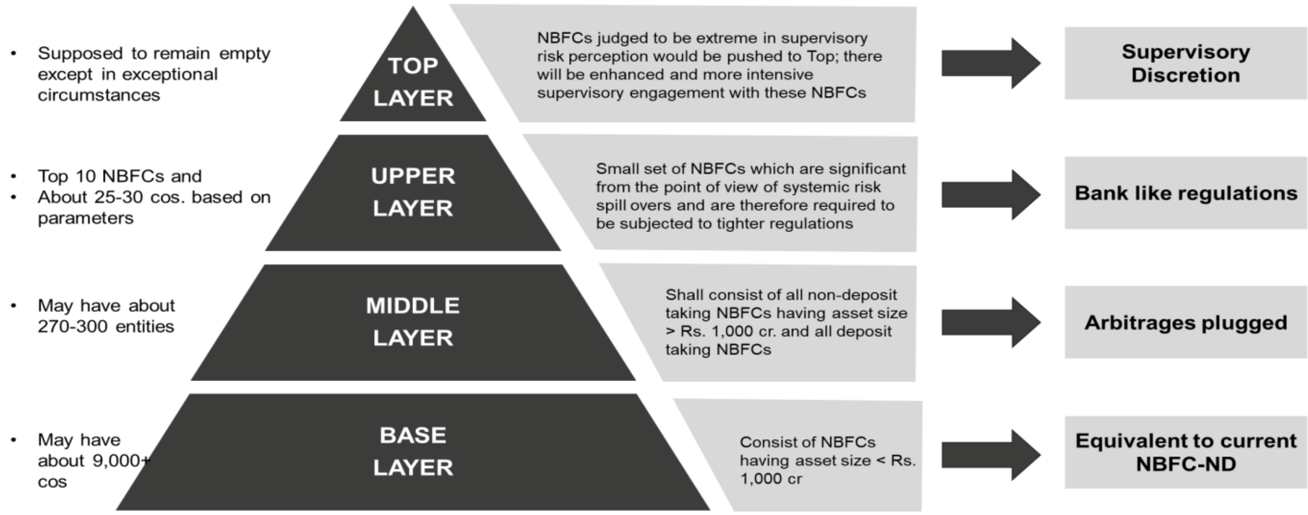


Note: (*) HFC which has more than 100 crores AUM as of March 2023. Figures in brackets represent the number of entities registered with RBI as of September 2023, CIC: Core Investment Company, ICC: Investment and Credit Company, Others include account aggregator, peer to peer lending, infrastructure debt fund, infrastructure finance company etc.
Source: RBI, CRISIL MI&A

Scale based approach proposed for NBFCs

In January 2021, the RBI had proposed a tighter regulatory framework for NBFCs by creating a four-tier structure with a progressive increase in regulation intensity in a discussion paper titled 'Revised Regulatory Framework for NBFCs - A Scale-based Approach'. Based on the inputs received, in October 2021, the RBI put in place a revised regulatory framework for NBFCs, which is in effect from October 2022.

As per the RBI's Scale-Based Regulation for NBFCs framework, the regulatory and supervisory framework of NBFCs should be based on a four-layered structure depending on their size, activity, and perceived riskiness: base, middle, upper, and top layers. NBFCs in the lower layer will be known as NBFC-Base Layer (NBFC-BL) and those in the middle layer will be known as NBFC-Middle Layer (NBFC-ML). NBFCs in the upper layer will be known as NBFC-Upper Layer (NBFC-UL) and will invite a new regulatory superstructure. There is also a top layer, which should ideally be empty.



Source: RBI, CRISIL MI&A

The RBI has taken a balanced view, and instead of going for a one-size-fits-all approach, it has opted for differential regulations based on the size and systemic importance of an NBFC. Furthermore, the importance of NBFCs in providing credit to underserved customers has been recognised. The RBI has not proposed imposition of CRR and SLR on NBFCs, which would come as a relief to NBFCs.

The proposed 9% common equity tier 1 ratio should not be difficult to manage as majority of NBFCs remain well capitalised. Caps on leverage levels would impact NBFCs in the mortgage business if limits are proposed in line with other asset classes. Differential standard asset provisioning will have a negative impact on NBFCs that have high exposure to sensitive sectors, such as commercial real estate (for example, CRE at a rate of 1.00% and CRE-RH at a rate of 0.75%; current norm for NBFCs is 0.4%). Cap of ₹ 0.01 billion on IPO financing per individual would hurt NBFCs operating in this space. Following this regulatory change, some NBFCs falling in the NBFC-UL category may consider conversion into universal banks. Overall, we believe the scale-based approach will translate into greater regulatory oversight and better governance practices, which will structurally strengthen the sector.

The Reserve Bank of India (RBI) has identified 15 non-banking finance companies (NBFCs) for inclusion in the Upper Layer (NBFC-UL) under Scale Based Regulations (SBR) for non-bank lenders. These chosen NBFCs encompass a range of categories, including deposit-taking housing finance companies (HFC), non-deposit-taking HFC, deposit-taking NBFC-ICC

(Investment and Credit Company), Non-deposit-taking NBFC-ICC, and core investment companies.

RBI tightens provisioning norms on Standard assets for NBFC Upper Layer

On June 6th, 2022, the RBI released a circular aligning provisioning for standard assets by NBFCs in the upper layer as per RBIs scale-based regulations with that prevalent with the banks, which would be effective from October 1, 2022. The impact of the norms is unlikely to be material as most large NBFCs already maintain Stage 1 and Stage 2 provisioning, which is comfortably higher than the required levels. The below table shows the provisioning that NBFC-ULs are required to maintain in respect of standard assets for the funded amount outstanding:

Provisioning norms for standard assets

Category of Assets	Rate of Provision
Individual housing loans and Small and Micro Enterprises	0.25%
Housing loans extended at teaser rates	2.00%, which will decrease to 0.40% after 1 year from the date on which the rates are reset at higher rates (if account remains standard)
Advances to Commercial Real Estate – Residential Housing (CRE - RH) sector	0.75%
Advances to Commercial Real Estate (other than CRE -RH) sector	1.00%
Restructured Advances	As stipulated in the applicable prudential norms for restructuring of advances
All other loans and advances not included above, including loans to Medium Enterprises	0.40%

Note: NBFC-UL includes non-banking financial companies and housing finance companies

Source: RBI, CRISIL MI&A

RBI issues Master Direction on Scale Based Regulation of NBFCs, 2023

The RBI published the Master Direction on Scale Based regulation (SBR) of NBFCs to bring an end to the basic categorization of systemically important and non-systemically important NBFCs, while the classification based on acceptance of public deposits and specialisation continues to be in force. In addition, considering the systemic importance, the SBR Master Directions has enhanced the corporate governance in middle layer and upper layer NBFCs. For instance, NBFCs that are part of a common Group or are floated by a common set of promoters shall not be viewed on a standalone basis. The total assets of all the NBFCs in a Group shall be consolidated to determine the threshold for their classification in the Middle Layer.

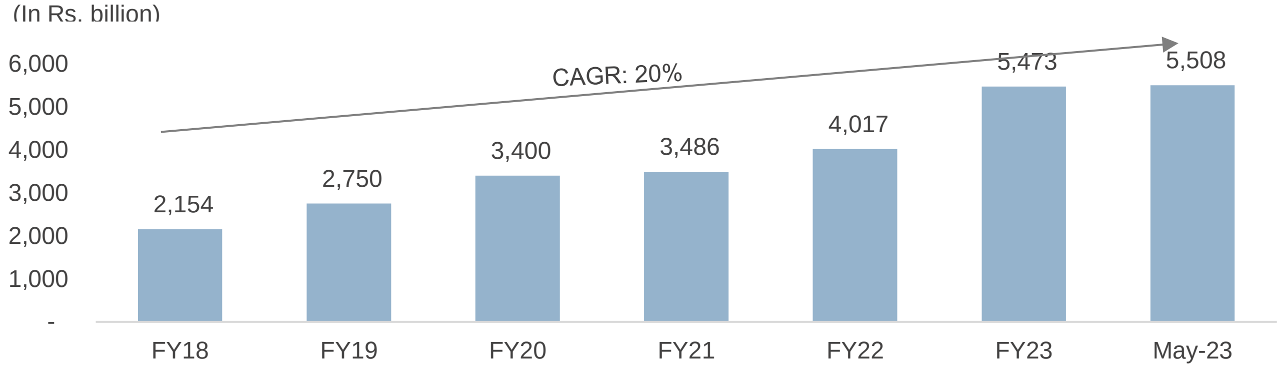
MICROFINANCE LOANS

Industry has surged at 20% CAGR between fiscal 2018 and May 2023

The industry's AUM outstanding clocked 20% compound annual growth rate (CAGR) between March 2017 and May 2023 to reach Rs 5,508 billion. The microfinance industry's joint liability group (JLG) portfolio has recorded a healthy growth in the past few years.

In fiscal 2021, the industry was adversely affected by the onset of the Covid-19 pandemic. While disbursements came to a standstill and the industry portfolio outstanding dropped in the first quarter of the year, they picked up subsequently and reached pre-Covid levels in the third and fourth quarters. In fiscal 2022, the second wave led to another slowdown, although not as severe as in the previous fiscal. On-year, the industry portfolio outstanding grew 15%. In fiscal 2023, the overall microfinance industry portfolio outstanding grew 36% on-year to Rs 5,473 billion. A significant portion of the on-year growth of the overall microfinance industry can be attributed to the expansion of the NBFC-MFI sector and exponential growth in SHG lending which witnessed on-year growth of 71% in fiscal 2023. As of May 2023, Overall industry portfolio outstanding reached Rs 5,508 billion. Going forward, the overall microfinance industry is expected to see strong growth on back of government's continued focus on strengthening the rural financial ecosystem, strong credit demand, and higher ticket sized loans disbursed by microfinance lenders.

GLP clocked 20% CAGR between March 2018 and May 2023



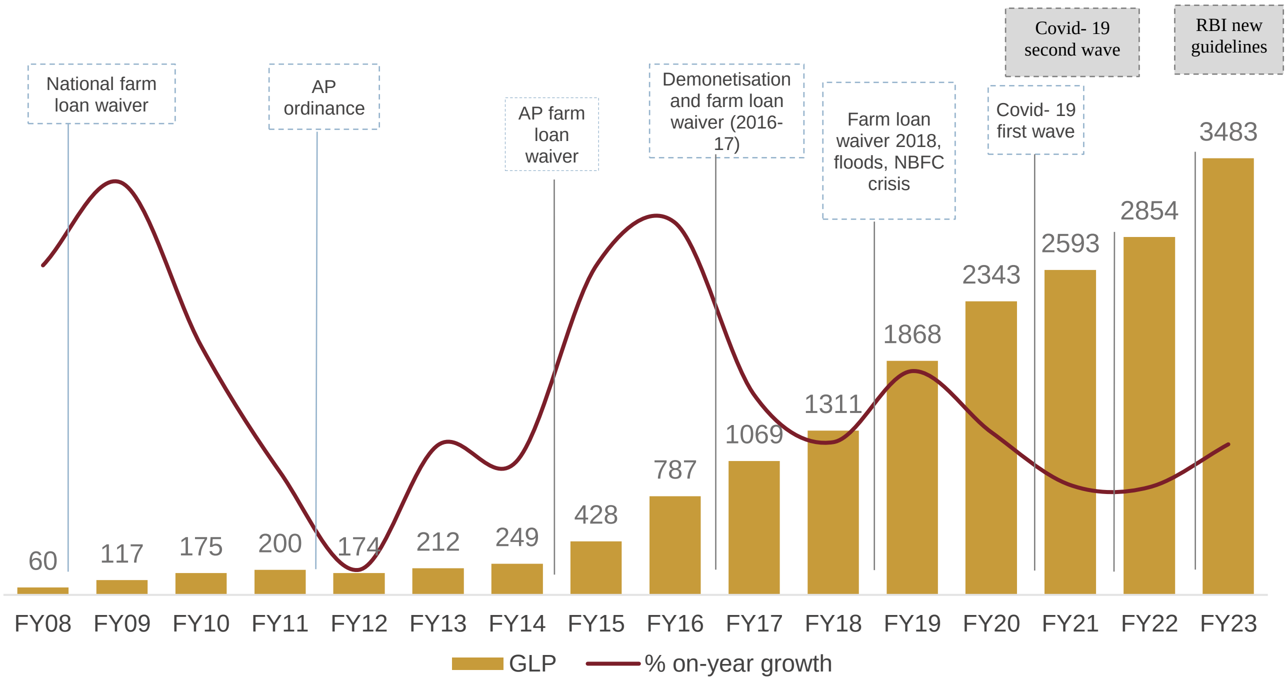
Note: Data includes data for Banks lending through SHG and joint liability group (JLG), SFBs, NBFC-MFIs, other NBFCs and non-profit MFIs.
Source: MFIN, CRISIL MI&A

Industry resilient despite major setbacks and changing landscape

The microfinance industry has been growing despite facing various headwinds in the past decade, such as the national farm loan waivers (2008), the Andhra Pradesh crisis (2010), Andhra Pradesh farm loan waiver (2014), demonetization (2016), and more state-specific farm loan waivers (2017 and 2018). The microfinance industry in India suffered a downturn in the year 2010 when adverse financial conditions in certain states in India, particularly in the state of Andhra Pradesh and debt related suicides by farmers led to adverse publicity for the microfinance sector in India. Some players had to undertake corporate debt restructuring and found it difficult to sustain their business. While the demonetization of Rs 500 and Rs 1,000 denomination banknotes in November 2016 hurt the industry, the impact was not as deep as the Andhra Pradesh crisis and was limited to certain districts. Portfolio at risk (PAR) data as of September 2018 indicates the industry recovered strongly from the aftermath of the demonetization. Furthermore, collections since September 2017 remained healthy. The liquidity crisis in 2018, however, had a ripple effect on microfinance lending as smaller NBFC-MFIs with capital constraints and lenders relying on NBFCs for funding slowed down disbursements.

NBFC-MFIs faced initial hiccups at the start of fiscal 2021 due to the pandemic on account of uncertainty over collections and aversion by lenders to extend further funding to them. However, the situation improved gradually and most NBFC-MFIs, with the exception of a few, were able to improve the liquidity buffers during the course of the year by raising funds and after getting support from various government schemes. While the resurgence of Covid-19 led to a fresh bout of uncertainty with respect to collections in the first quarter of fiscal 2022, the impact was not as pronounced as in the early part of the previous fiscal. The industry gradually rebounded in fiscal 2022 on account of increased disbursements. Further, with revised MFI guidelines announced by the RBI in March 2022 that increased the total household income threshold for collateral-free loans coupled with higher consumption demand and lower slippages fueled growth in fiscal 2023. In February 2023 Telangana High Court ordered that RBI-regulated NBFCs operating as MFIs should not be governed by state laws, Only the central bank has power to regulate these entities. A similar Supreme Court ruling last year reaffirmed that state moneylending acts will not apply to NBFCs that are under the regulation of the RBI, addressing industry dual regulation issues.

NBFC MFIs has shown resilience over the past decade



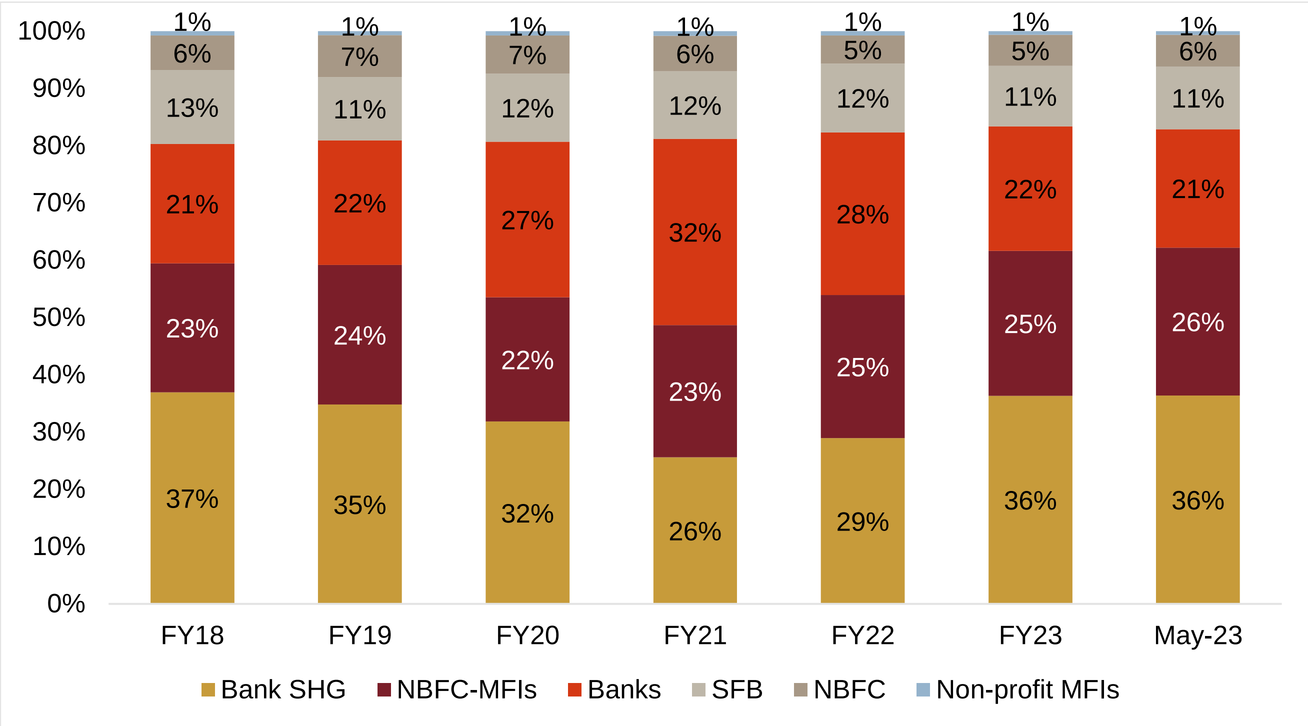
Note: Data includes numbers for banks' lending through JLGs, SFBs, NBFC-MFIs, other NBFCs and non-profit MFIs. It excludes data for banks' lending through SHGs. The amounts are as at of the send of the financial year; GLP refers to Gross loan portfolio.
Source: MFIN, CRISIL MI&A

Over the years, MFIs have proven their resilience to high-impact events. They have played an important role in promoting inclusive growth by providing credit to borrowers at the bottom of the economic pyramid. Despite catering to a vulnerable audience, the MFIs have historically proven their ability to recover effectively from crisis situations within a few months (for instance, demonetization) and have been able to maintain profitability over a cycle. Amid the pandemic, the MFIs bolstered their capital position by raising fresh equity. Their ability to raise capital, even in such uncertain times, can be attributed to the latent growth potential of the sector, capability of the industry to wade through periods of crises by taking proactive steps, social impact of MFI lending, and healthy profitability over business cycles. Furthermore, MFI lending is closely regulated by the RBI. Over the years, the central bank has come up with various regulations to enable long-term sustainable growth in the sector and reduce systemic risks.

SFB license for eight MFIs (2015)

The RBI awarded in-principal SFB licenses to 10 applicants on September 16, 2015, of which eight were MFIs. All the MFI applicants received final approval from the RBI to start operations. These SFBs cumulatively accounted for ~11% of the total AUM of the industry as of the end of fiscal 2023.The share of SFBs in microfinance industry has been reducing over the past years from 13% in fiscal 2018 to 11% in fiscal 2023 and the NBFC-MFIs have gained market share from 23% in fiscal 2018 to 26% in fiscal 2023 owing to increasing reach in newer geographies and deepening penetration in existing regions. Going forward, CRISIL MI&A expects NBFC MFIs to grow at a faster rate than the overall MFI industry and increase its share in further to ~28% by end of fiscal 2026.

NBFC MFIs account for 26% of the AUM as of May 2023



Note: Data includes data for banks SHG, bank JLG, SFBs, NBFC-MFIs, other NBFCs and non-profit MFIs.
Source: CRISIL MI&A, Industry

Demonetization (2016)

On November 8, 2016, the central government announced the demonetization of Rs 500 and Rs 1,000 notes, effectively removing in value terms ~86% of the currency from circulation. The move shook the MFI industry. The replacement of the demonetized currencies with new Rs 500 notes and Rs 2,000 notes was sluggish. As a consequence, the portfolio outstanding of the MFI industry suddenly slumped. Disbursements were the worst hit as they declined 29% in the second half compared with a 60% growth in the first half of the year.

The demonetization affected the asset quality of the MFIs, as PAR>90 days for the industry jumped to 10.47% as of March 2017 compared with 7.66% as of March 2016. Among various states, asset quality worsened especially in Uttar Pradesh, Maharashtra, Karnataka, and Madhya Pradesh. However, in these states as well, the deterioration in asset quality was largely on account of the poor performance of a few districts.

Farm loan waivers in fiscals 2017 and 2018

Uttar Pradesh, Maharashtra, Karnataka, and Punjab had announced farm loan waivers with varying coverage. This affecteded the collections initially. However, efforts by MFIs to educate borrowers about the applicability of the scheme have led to a gradual pick-up in loan collection. Even the government and industry associations helped the MFIs by making announcements through media to create awareness among the borrowers.

It led to a slowdown in lending, was mostly due to lower repayments caused by a disturbance in the repayment cycle in the above-mentioned states. However, the impact on the NBFC-MFIs was less as compared with banks due to being in regular touch with the customers.

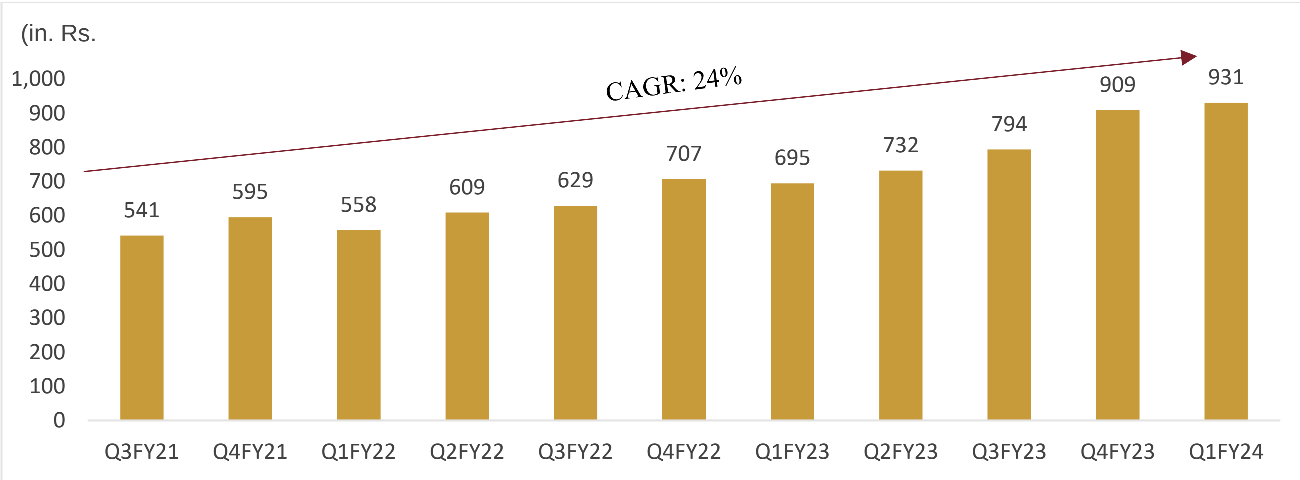
Impact of floods in Kerala and Odisha (2018-20)

In 2018, severe floods hit southern India, with Kerala being one of the worst affected areas. This affected the state's microfinance industry adversely. The credit quality of most of the borrowers deteriorated due to the loss of income-generating businesses caused by the floods. In May 2019 and May 2020, Odisha witnessed its worst cyclones, Fani and Amphan. These impacted West Bengal and Odisha severely and resulted in a near-term spike in the PAR portfolio of the NBFC-MFIs and small finance banks (SFBs).

NBFC liquidity crisis

The liquidity crisis plaguing NBFCs in India had a minor ripple effect on micro-lenders. Lenders who relied on NBFCs for funding slowed down disbursement and started looking at different avenues to raise money. However, the impact of the crisis was not that profound since large NBFC-MFIs had a diversified funding mix and were able to leverage this to their advantage. The outstanding borrowings of the NBFC-MFIs logged a 24% CAGR between Q3FY21 and Q1FY24.

Funding trend of NBFC-MFIs (outstanding borrowing)



Note: Data includes only NBFC-MFIs
Source: MFIN, CRISIL MI&A

Impact of Covid-19 pandemic

The protracted nationwide lockdown to contain the spread of Covid-19 affected the income-generation ability and the savings of MFI borrowers. Typically, these borrowers have weaker credit profiles. About 50-60% of the micro loans were under moratorium as of August 2020. Also, because of the nationwide lockdown, and several state-imposed lockdowns thereafter, the normal operations of MFIs — loan origination and collections — were a challenge, especially during the first few months after the onset of the pandemic. This had an adverse impact on the MFIs since their operations are field-intensive, involving personal interactions, such as home visits and physical collection of cash.

Prior to the lockdown, many MFIs had managed to shore up their liquidity by March-end in fiscal 2020. They had already done a majority of their collection before the lockdown. In fact, collection efficiency was largely intact — at 98-99%. The MFIs also drew down bank loans for the purpose of on-lending in the last week of March, which is typically a period marked by high business activity. However, planned disbursements did not happen on account of the lockdown. Disbursements reached the pre-Covid level in the third and fourth quarters of fiscal 2021 led by rural and semi-urban areas since the impact of the pandemic was relatively lower there.

Key government steps that supported MFIs during the Covid-19 crisis

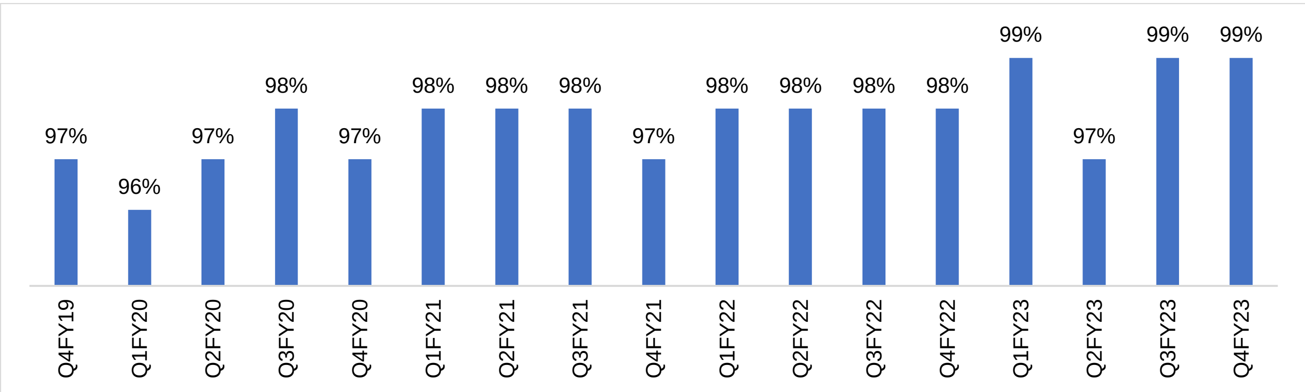
- **Reducing the debt servicing burden through a moratorium period:** The RBI initially permitted lending institutions to allow a moratorium of three months on repayment of instalments for term loans outstanding as on March 1, 2020, and defer interest payments due on working capital facilities outstanding. The moratorium was further extended by another three months until August 31. However, the banks were instructed to provide 10% additional provisioning for availing of this benefit, which could be later adjusted against the provisioning requirements for actual slippages. These measures were intended to boost confidence in the economy and provide relief to the borrowers.

- **Refinance support from RBI:** In April 2020, the RBI announced refinancing support of Rs 250 billion to the National Bank for Agriculture and Rural Development (NABARD), which provides support to NBFC-MFIs, rural regional banks and co-operative banks.
- **Loan interest subvention scheme:** Under this scheme, the government provided 2% interest subvention to loans given under the Mudra-Shishu scheme. These loans of up to Rs 50,000 ticket size are primarily given by the NBFC-MFIs to low-income groups.
- **PSL status for SFB lending to NBFC-MFIs:** On May 5, 2021, the RBI announced that fresh lending by the SFBs to the NBFC-MFIs with asset size less than Rs 5 billion for on-lending to individual borrowers will be classified under priority sector lending (PSL). This encouraged the flow of credit to smaller MFIs, which were facing relatively bigger funding-access challenges. The facility to the SFBs was made available up to March 31, 2022.
- **SLTRO:** The RBI announced a special long-term repo operation (SLTRO) programme to the tune of Rs 100 billion for the SFBs to soften the impact of the second wave of Covid-19. The first auction took place on May 17, 2021. It continued in subsequent months until the amount was fully utilized. The amount borrowed from this scheme was to be utilized to lend to small business units and other unorganized sectors.
- **Credit Guarantee Scheme:** On June 28, 2021, the Minister of Finance announced the Credit Guarantee Scheme through the MFIs for the first 2.5 million customers for a maximum tenure of three years. Three-fourths of the guarantee was provided to scheduled commercial banks for a ticket size up to Rs 1.25 lakh to new or existing NBFC-MFIs. This addressed the severe cash flow distress the second wave inflicted on individuals and small businesses.

Adoption of technology in microfinance industry

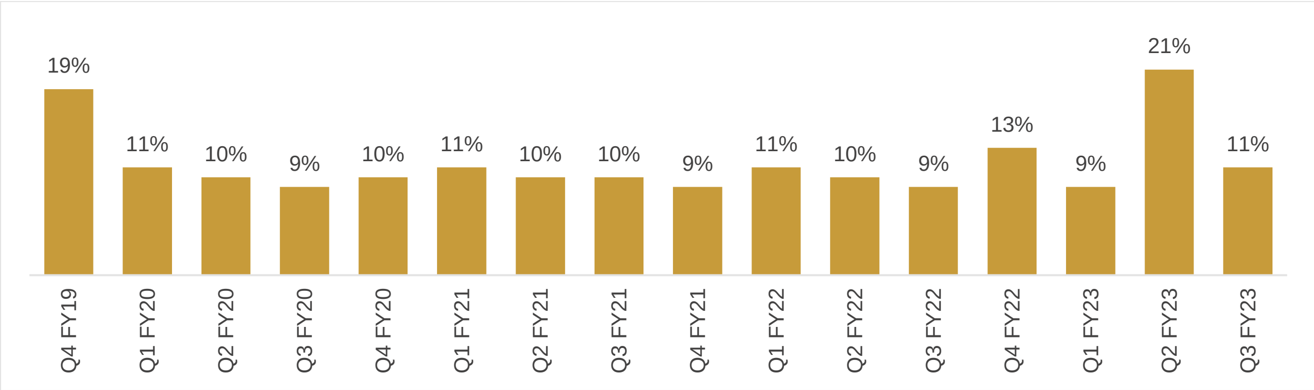
- The microfinance industry in India has witnessed a significant transformation with the advent of digital technology. Many players in the industry have adopted digital initiatives to enhance their operations and reach out to more customers. Some of the digital initiatives taken by players in the MFI industry include mobile-based applications, digitalization of loan process, use of Aadhaar-based authentication, cashless transactions and digital financial education.
- The MFIs have also partnered with fintech companies to enhance their digital capabilities and provide better services to customers. The fintech companies offer solutions such as digital payments, credit scoring and loan management systems that the MFIs can leverage to improve their operational efficiency and expand their reach.
- Cashless disbursements and collections have become increasingly popular in the microfinance industry in India, as they promote transparency, reduce cash handling costs and improve customer experience.

Trend in cashless disbursement



Source: MFIN report, CRISIL MI&A

Trend in cashless collections



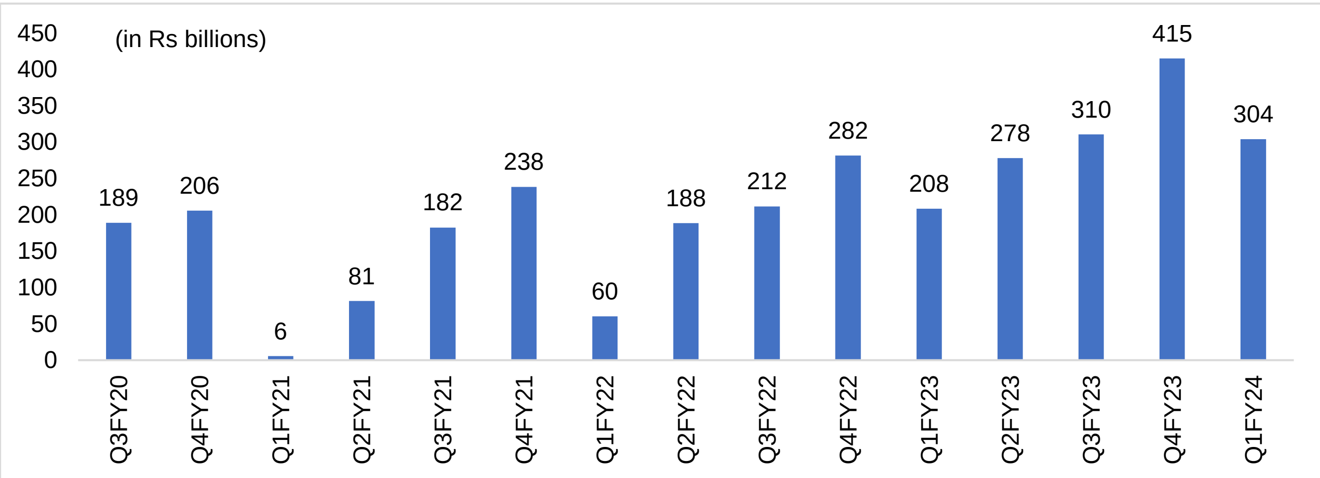
Source: MFIN report, CRISIL MI&A

NBFC-MFIs' disbursements grew 63% in fiscal 2023

In fiscal 2021, the disbursement witnessed a slack on account of the nationwide lockdown imposed to contain the pandemic, which brought the economic activities to a grinding halt in the first half. In the second half, with activities resuming, the credit outflow picked up. Further, the first quarter of fiscal 2022 saw the impact of the second wave of the pandemic leading to localized lockdowns. The growth rebounded in the second half and pace continued during fiscal 2023 with aggregated disbursement rising to Rs 1,212 billion (63% on-year growth).

The growth was supported by rural economic revival, improved collection efficiency, implementation of the RBI's new regulatory framework, increased penetration and bigger average ticket size of disbursement.

Disbursements have reached to the pre-Covid levels



Note: Data includes NBFC MFI players

Source: MFIN, CRISIL MI&A

Rising penetration to support continued growth of the industry

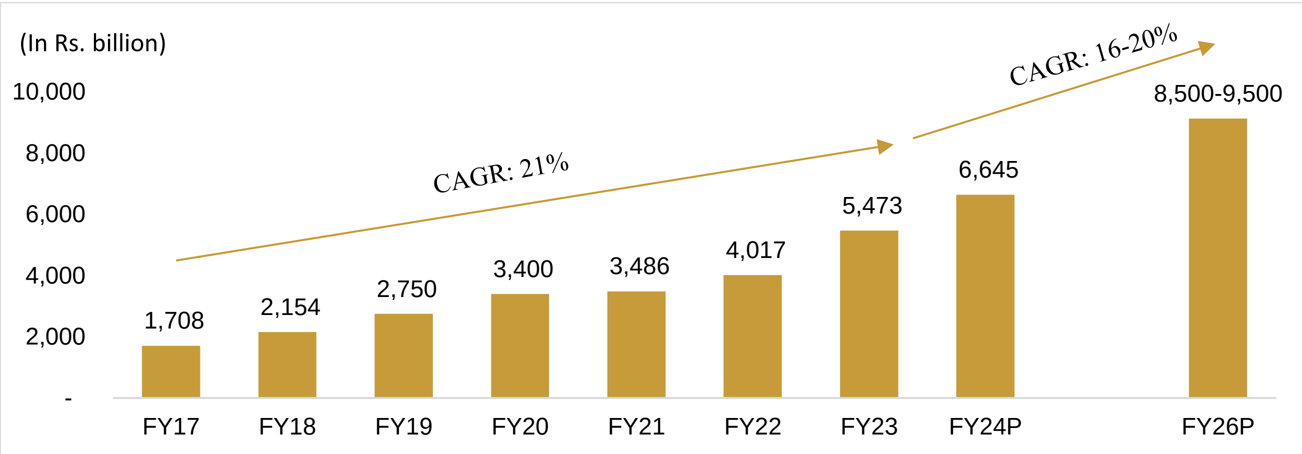
With economic revival and unmet demand in rural regions, CRISIL MI&A expects the overall MFI portfolio size to grow at CAGR of 16-20% between fiscals 2023 and 2026. CRISIL MI&A expects MFI industry to log 23-25% CAGR between fiscals 2023 and 2026. Key drivers for the superior growth outlook include increasing penetration into the hinterland and expansion into newer states, faster growth in the rural segment, increase in average ticket size and higher usage of support systems such as credit bureaus. The presence of self-regulatory organisations, such as MFIN and Sa-Dhan, is also expected to support the sustainable growth of the industry going forward.

Moreover, household credit is a huge untapped market for the MFI players. The country has seen household credit penetration via MFI loans rising, but it is still on the lower side.

Key enablers for the microfinance industry growth

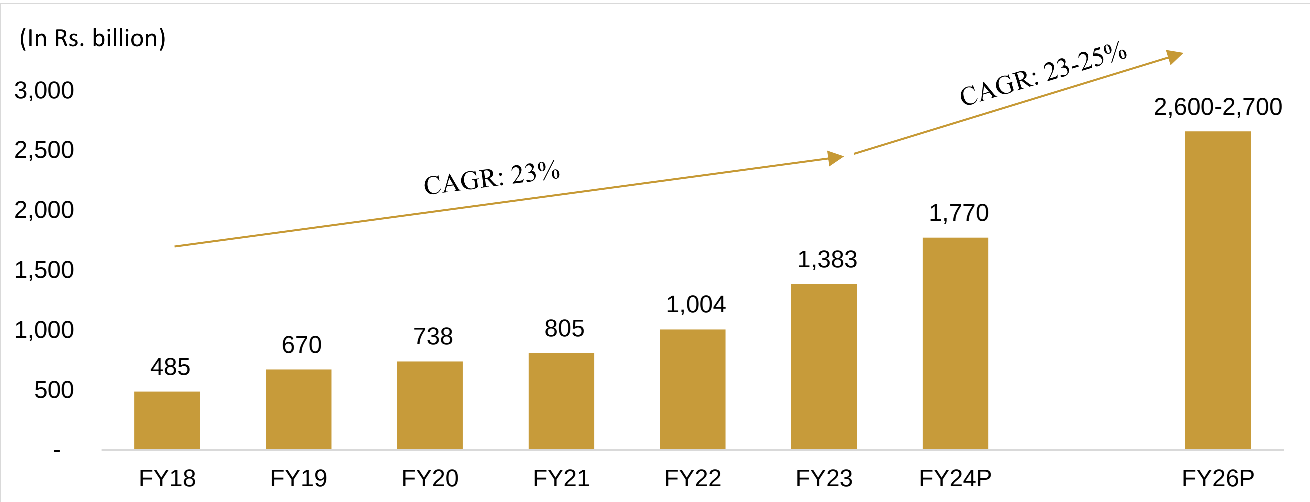
- Digitisation is expected to bring down costs, improve collection efficiency and profitability for the MFIs. CRISIL MI&A expects the lower cost of servicing customers, better productivity and lower credit costs through the use of technology will help the MFIs improve their profitability.
- The MFIs have built a large distribution network in the urban and rural India. Now, these MFIs are leveraging this network to distribute financial and non-financial products, including insurance and product financing of other institutions to members at a cost lower than competition.
- New regulations will help further deepen the penetration of microcredit in the country. With enhancement of the household income threshold, the MFIs are expected to reach many more households. The regulations are also expected to create a level playing field, which will increase the competition, in turn, benefiting the end customer.

Overall MFI Industry to grow at 16-20% CAGR over fiscal 2023-26



Note: P: Projected, Graph includes data for bank lending through joint liability group, bank lending through self-help groups, SFBs, NBFC-MFIs, other NBFCs and non-profit MFIs; Source: MFIN, Company reports, CRISIL MI&A

NBFC MFI Industry to grow at a faster rate than overall MFI Industry

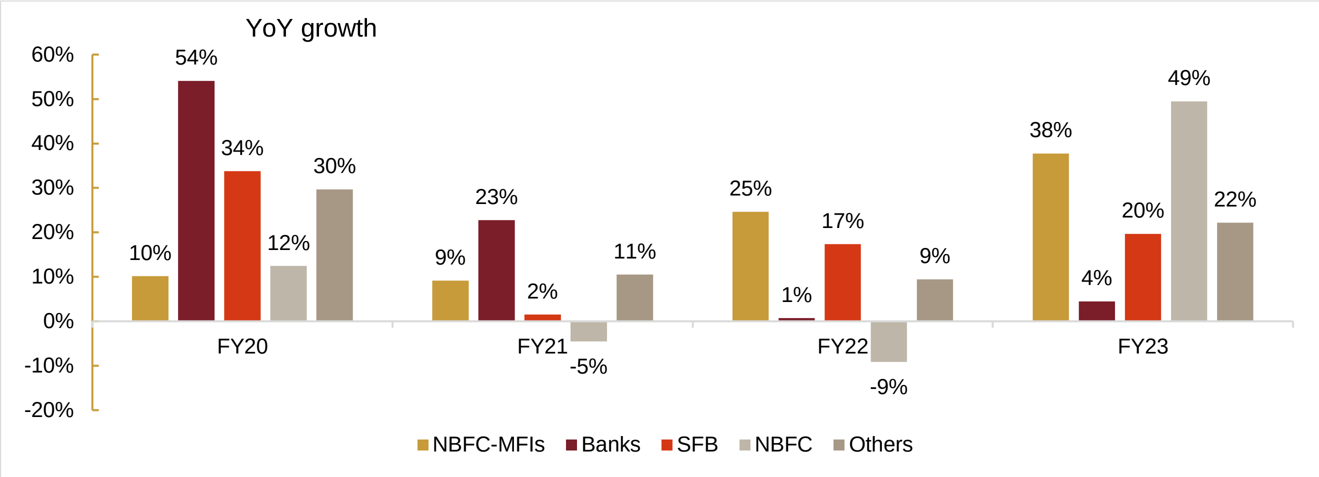


Note: P: Projected, Data includes NBFC MFI players
Source: MFIN, Company reports, CRISIL MI&A

The portfolio outstanding of the NBFC-MFIs grew at a healthy CAGR of 23% between fiscals 2018 and 2023 to Rs 1,383 billion. NBFCs and NBFC-MFIs registered highest growth at 49% and 38% respectively in fiscal 2023. This was NBFC-MFIs highest growth in last four fiscals. Going ahead, CRISIL MI&A expects the NBFC-MFIs to continue to outplace other

MFI lenders amid improving asset quality and continued traction in economic activity. Complementing the tailwinds will be rising profitability supported by higher net interest margins. The confluence of these factors augurs well for the credit profiles of NBFC MFI, allowing them to grow faster. The NBFC-MFIs are expected to gain market share in the medium term with a healthy double-digit CAGR of 23-25% between fiscals 2023 and 2026.

NBFC-MFIs witnessed high growth over fiscal 2022 and fiscal 2023

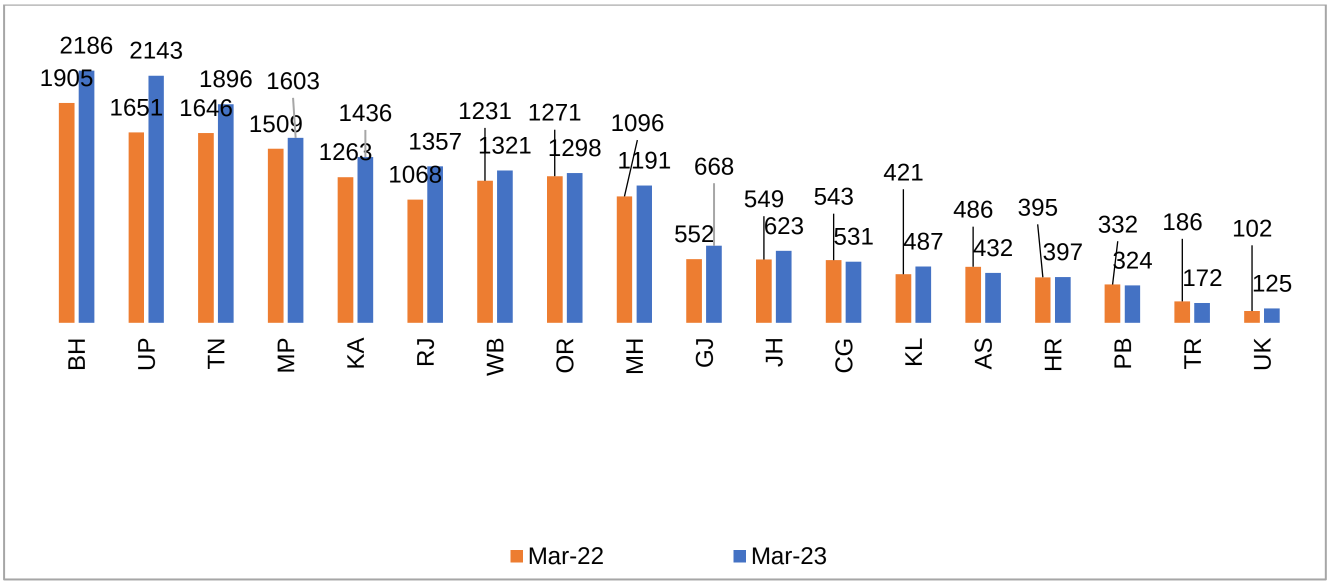


Note: Data includes data for Banks, SFBs, NBFC-MFIs, other NBFCs and non-profit MFIs. In FY20, Bharat Financial (BFIL) was included in NBFC-MFIs and in fiscal 2020 Bharat Financial is included in banks.
Source: MFIN, CRISIL MI&A

Players tapping newer states and districts to widen client base

CRISIL MI&A finds a significant jump in the number of MFIs operating in Uttar Pradesh, Rajasthan and Gujarat in recent years. The total number of branches in these states has significantly increased in fiscal 2023 compared to fiscal 2022, leading to a jump in their portfolio outstanding. The availability of borrower credit related data from credit information companies has also ensured that MFIs have access to more data on borrowers, helping them make informed lending decisions.

Total branches of MFIs in each state/UT



Note: Data includes only NBFC-MFI players and those states where ten or more MFIs are operating, BH: Bihar, UP: Uttar Pradesh, TN: Tamil Nadu, MP: Madhya Pradesh, KA: Karnataka, RJ: Rajasthan, WB: West Bengal, OR: Odisha, MH: Maharashtra, GJ: Gujarat, KL: Kerala, AS: Assam, HR: Haryana, PB: Punjab, TR: Tripura, UK: Uttarakhand
Source: MFIN, CRISIL MI&A

In the past few years, many MFIs have opened branches in untapped districts, thus increasing their penetration. In states where the presence of MFIs and banks is strong, ticket size has increased as well. CRISIL MI&A expects penetration to deepen going forward, which will further drive growth. Madhya Pradesh, Bihar and Tamil Nadu are states with large unserved populations and hence, provide an opportunity for existing players to improve their penetration and market share.

Rural segment to drive MFI Business

CRISIL MI&A expects the rural segment to drive MFIs' business, with burgeoning demand expected from this segment. With fewer branches and outlets in rural and semi-urban areas as compared with urban areas, the rural market (comprising of rural and semi-urban) in India is still under-penetrated, thereby opening up a huge opportunity for savings and loan products. CRISIL MI&A believes that establishing a good rapport with rural customers leads to longer and more loyal customer relationship, which can be further leveraged to cross-sell other products.

With the government's focus on financial inclusion and increasing number of financial institutions opening up branches in the unbanked areas, CRISIL MI&A has seen that demand for loan is higher in rural areas. As of Fiscal 2022, the rural pie had accounted for 75% of the overall disbursement. Additionally, in terms of GLP, rural regions accounted for 75% of the overall portfolio of NBFC-MFIs, other NBFCs, and non-profit MFIs.

Disbursement and number of borrowers in rural areas (as of Fiscal 2022)

(Rs billion)	Disbursement (FY22)	Share of disbursement	Portfolio outstanding	Share of GLP	Share of borrowers
Rural	852	75%	1019	75%	75%
Urban	281	25%	332	25%	25%

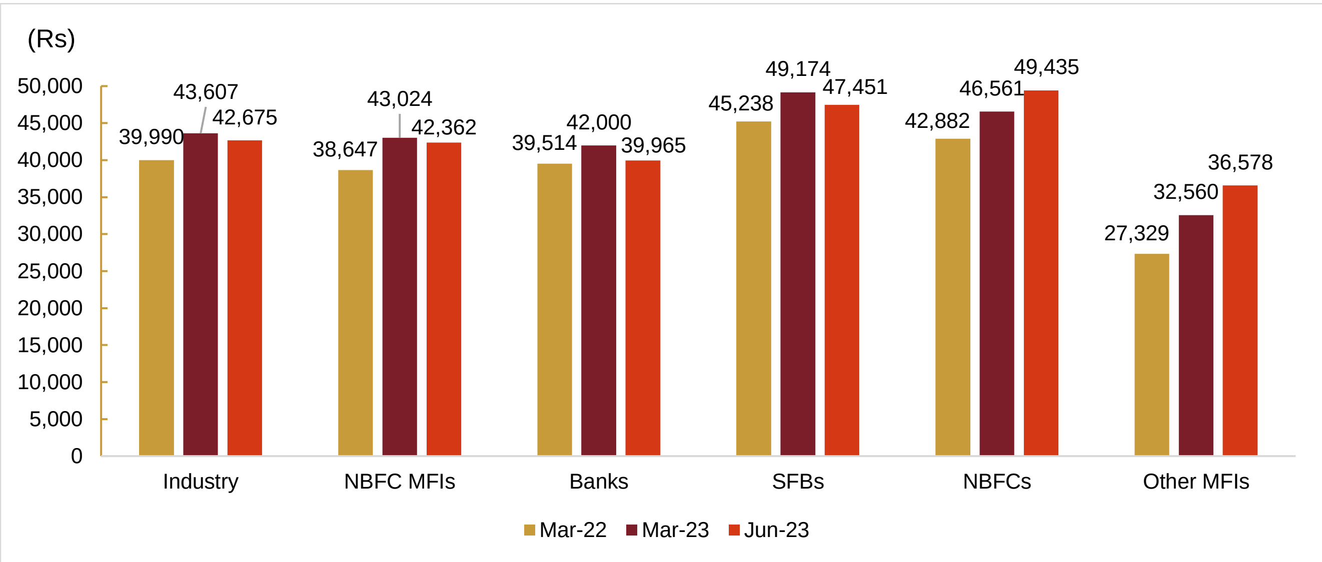
Note: Values taken as per Bharat Microfinance Report 2022.
Source: Sa-Dhan, CRISIL MI&A

With higher focus on rural areas, over the past few fiscals, NBFC-MFIs have been able to maintain better asset quality in rural areas compared to that in urban areas. Such a trend in asset quality forms a strong base for NBFC-MFIs to penetrate more into rural areas.

Average ticket size to continue to expand in the coming years

The average ticket size of NBFC MFIs has risen in the fiscal 2023 to Rs 43,024 from Rs 38,647 in fiscal 2022, translating into a growth of 11% on year. CRISIL MI&A expects the trend to continue in the medium term with NBFC-MFIs continue to growth at a healthy pace outpacing banks and gaining market share.

Average ticket size of NBFC-MFI players lower compared to other player groups



Source: MFIN, CRISIL MI&A

Growth drivers

Furthering financial inclusion provides huge potential for growth for MFIs

Given the sheer size of India's population and considering that a large section still lacks access to formal banking services, driving financial inclusion has always been a priority for the government. The banking system and 'priority sector' lending have been the most explored channels to bring majority of the population under the ambit of formal credit institutions. India is on the threshold of a high-growth trajectory; hence, financial inclusion is imperative for sustaining equitable growth.

Financial inclusion is a comprehensive exercise that constitutes several products and services, such as provision of bank accounts, insurance facilities, payment and remittance mechanisms, financial counselling, and, most crucially, affordable credit. The government undertook several initiatives, which were orchestrated by NABARD and executed through entities, such as regional rural banks, cooperatives and commercial banks. During the late 1970s, these lending institutions achieved significant reach, and increasing number of individuals did avail of credit facilities. However, major delinquencies in repayment severely impaired the financial health of the entities. Furthermore, despite the rapid expansion in the scale of the institutions, several households continued to face difficulties in accessing credit facilities.

Within the large suite of products and services under financial inclusion, MFIs have a major role to play in the provision of credit. The sheer size of the market (in terms of financially excluded households) and the ability of MFIs to provide credit to this segment at affordable rates would create heathy growth opportunities for MFIs in future.

Over the years, the industry has also proactively made investments towards expanding the usage of technology and creating adequate risk monitoring systems by sharing portfolio data with credit bureaus. The usage of technology has helped MFIs improve efficiency, reduce cash usage, and provide better services to customers. The usage of analytics for portfolio monitoring and credit appraisal has helped the industry take corrective action as required.

From an investor perspective too, MFI is perceived as an attractive asset class due to the availability of PSL benefit, the number of touchpoints that MFIs have deep into the hinterland, and the social impact they create.

Key success factors

Ability to attract funds/raise capital and maintain healthy capital position

The microfinance industry has seen rapid growth over the past few years owing to small ticket sizes and doorstep disbursement. Despite this, a large portion of the market remains underpenetrated, making it necessary for MFIs to raise funds at regular intervals to sustain growth. This remains a challenge for several MFIs owing to perceived risk of the borrower segment, their susceptibility to socio-political issues, and volatility in asset quality. The ability of MFIs to raise funding from diverse sources and maintain a capital position much higher than the prescribed regulatory minimum is vital for long-term sustainability.

Geographically diversified portfolio helps MFIs mitigate risks

A large, well-diversified portfolio in different geographies enables players to mitigate risks associated with a concentrated portfolio. Apart from this, a wider scale of operation helps them reduce operating expenses as a percentage of outstanding loans. Rural areas are still under-penetrated in India; hence, players operating in/focused on these areas are likely to see faster growth in their portfolios.

Ability to control asset quality and ageing of NPAs

The vulnerability of MFI portfolios to local issues and events that impact the repayment ability of borrower households makes it critical for them to have a strong hold on asset quality and regularly engage with borrowers to control the ageing of NPAs. MFIs, thus, need to put in place methods and use analytics to understand and predict the quality of the portfolio, and minimize the frequency and size of asset quality-related risks.

Promoters who have seen several business cycles

A promoter has a crucial role in the success of a business. A promoter with a strong and vast experience in the same field of business is essential for the success of the company. The experience and domain knowledge of a promoter and top management officials becomes more decisive and critical, especially in the case of handling a crisis because of either internal or external factors. The growth of a company during a normal scenario also depends largely on the decision-taking ability of the promoter, and his/her understanding of the industry, market, and competition.

Gradual development of other support systems

Role of MFIN and Sa-Dhan

MFIN was recognised as a self-regulatory organisation (SRO) for NBFC-MFIs in India in June 2014. As an SRO, MFIN has been authorised by the RBI to exercise control and regulation on its behalf, to ensure compliance with regulatory instructions and industry code of conduct. With this, MFIN became the first network to attain such recognition not only in India, but also in Asia.

In September 2017, MFIN released its mutually agreed code of conduct (MACC). As part of this code, an institution will not lend to a borrower who has already availed of loans from three microcredit lenders. While existing RBI regulations were only applicable to NBFC-MFIs, MACC brought other lenders within the ambit of this guidance. This does not include SHGs, though.

MFIN's role as an SRO also includes research and training responsibilities, and submission of MFI financials to the RBI. MFIN's current membership consists of over 50 NBFC–MFIs in the country.

Sa-Dhan is the second association in the business of microfinance to be given SRO status by the central bank. It has the mandate to engage with policymakers and regulators to provide a favourable policy environment for the promotion and growth of microfinance and financial inclusion in India. Its responsibility includes surveillance of the microfinance sector and submission of its annual report to the RBI. It is also entrusted with having a grievance and dispute redressal mechanism for clients of NBFC-MFIs, ensuring borrower protection and monitoring compliance of NBFC-MFIs with the regulatory framework put in place by the RBI.

Post demonetization, MFIN and Sa-Dhan took a proactive role in spreading awareness on MFIs and their operations in various parts of the country, particularly in the event of a socio-political disturbance, where timely intervention with local and state authorities and awareness workshops helped dissipate disturbances before they scaled up.

MUDRA

In Union Budget 2015-16, the government proposed the formation of a Micro Units Development & Refinance Agency Ltd (MUDRA) to facilitate financial inclusion of non-corporate small business sector through refinance and development support. A majority of this sector does not have access to formal sources of finance. MUDRA will be responsible for refinancing and developing the micro-enterprises sector, by providing support to financial institutions that lend to small and micro business entities. MUDRA offers low cost funding to MFIs, which, in turn, helps MFIs to fund their borrowers.

NABARD refinancing MFIs to encourage lending in rural areas

NABARD is a key facilitator of microfinance initiatives in the country, with a focus on rural areas. It assists eligible NBFC-MFIs and SFBs by providing them with long-term refinance support. In April 2020, the RBI allocated Rs 250 billion to NABARD for refinancing to cooperative banks, RRBs and MFIs to support financial institutions in the current challenging situation because of the pandemic.

SIDBI

SIDBI was set up in April 1990 with a purpose to facilitate and strengthen credit flows to MSMEs and address both financial and developmental gaps in the MSME ecosystem. SIDBI, through its various schemes, provides liquidity support to the MSME sector by extending loans to NBFCs, MFIs and Banks at lower cost in order to maintain the credit flow. In April 2000, SIDBI also launched a National Microfinance Support Program (NMFSP) in collaboration with Department of International Development, UK (DFID) to bring in best microfinance practices in India and extended the collaboration with International Fund for Agriculture Development, Rome (IFAD) in April 2002 for on-lending support to MFIs

Digitisation to bring down costs, improve collection efficiency and profitability for MFIs

Digitisation has influenced almost all aspects of the financial services industry. However, it is far more critical to the MFI industry as lower operating cost can result in higher financial inclusion and increased benefits for customers. The use of technology has helped MFIs grow at a fast pace, improve efficiency, reduce cash usage and turnaround time, develop new products, provide better services to customers, and use analytics for portfolio monitoring and credit appraisal. According to the MFIN report, about 42 out of 49 NBFC-MFIs have reported 100% of their disbursement through cashless mode in the fourth quarter of fiscal 2023.

CRISIL MI&A expects that the lower cost of servicing customers, better productivity, and lower credit costs through the use of technology will help MFIs improve their profitability.

Credit risk mitigation by credit bureaus

Credit bureaus such as Equifax and CRIF Highmark collect data from several MFIs and build a comprehensive database that captures the credit history of borrowers. These databases are updated weekly. The presence of credit bureaus ensures that MFIs have access to more data on their borrowers, helping them make informed lending decisions over the long run.

Regulations

Microfinance sector in India governed by RBI guidelines

MFIs were operating largely unregulated till 2010, when the Andhra Pradesh (AP) Ordinance came into effect. Subsequently, in 2011, the RBI released guidelines that defined NBFC-MFIs, and provided an operating and regulatory framework for MFIs in India.

RBI guidelines issued in December 2011

In November 2010, the RBI set up a sub-committee under the chairmanship of Mr Y H Malegam to address issues concerning the domestic microfinance industry. This was in light of heightened perceived risk towards the sector, after the AP ordinance was enacted. Based on the committee's recommendations, the NBFC-MFI directions issued by the RBI came into effect in December 2011.

The guidelines defined an NBFC-MFI as a non-deposit-taking NBFC with parameters given below:

NBFC-MFI - Regulation guidelines

Parameter	Provision
Minimum net owned funds (NOF)	Rs 50 million*
Qualifying assets***	Not less than 85% of its net assets** in the nature of qualifying assets
Multiple lending	Not more than two MFIs should lend to the same borrower
Capital adequacy	Capital adequacy ratio consisting of tier I and tier II capital, which will not be less than 15% of its aggregate risk weighted assets
Aggregate loan provision	Not less than higher value among the following: a) 1% of outstanding loan portfolio, or b) 50% of aggregate loan instalments that are overdue for over 90 days and less than 180 days, or c) 100% of aggregate loan instalments that are overdue for 180 days or more
Pricing of credit	Margin cap imposed at 10% for large MFIs (loan portfolios exceeding Rs 1 billion) and 12% for small MFIs (loan portfolios below Rs 1 billion)
Interest rate charged	With effect from April 1, 2014, interest rate charged to borrowers: a) Cost of funds *plus* 10% for large MFIs (size of Rs 1 billion and above) and cost of funds *plus* 12% for the others (size less than Rs 1 billion), or b) Average base rate (as advised by RBI) of the five largest commercial banks by assets *multiplied by* 2.75 Maximum variance between minimum and maximum interest rates for individual loans capped at 4%
Processing charge	Not more than 1% of total loan amount

** For NBFC-MFIs registered in the north-eastern region of the country, minimum NOF requirement shall stand at Rs 20 million.*
*** Net assets are defined as total assets other than cash and bank balances and money market instruments.*
**** Refer to the table for 'qualifying asset'*

Qualifying asset

Parameter	Provision
Total indebtedness of borrower should not exceed	Rs 125,000
Household annual income	Rural – less than Rs 125,000 Urban and semi-urban – less than Rs 200,000
Loan ticket size	1st cycle – Rs 75,000; subsequent cycles – Rs 125,000
Collateral	None

Loan for income generation	Not less than 50% of total loans given
Interval for repayment of loans	Weekly, fortnightly or monthly instalments at the choice of the borrower
Tenure of loan	Not less than two years for loan amount exceeding Rs 30,000 with prepayment without penalty

Potential harmonisation of regulations for MFI lending

In February 2021, the RBI outlined the need to harmonise regulations governing the MFI lending industry and proposed a revamped framework. A potential harmonisation of regulations for MFI lending will positively impact NBFC-MFIs as banks and SFBs will also be governed by the same regulations, hence eliminating the competitive edge they currently enjoy. The key proposals include (i) a common definition of microfinance loans for all regulated entities, (ii) a Board-approved policy for household income assessment, (iii) capping the outflow on account of repayment of loan obligations of a household to 50% of the household income, (iv) greater flexibility of repayment frequency for all microfinance loans, (v) no pre-payment penalty or requirement of collateral, (vi) introduction of a standard simplified fact sheet on pricing of microfinance loans for better transparency, (vii) alignment of pricing guidelines for NBFC-MFIs with guidelines for NBFCs, and (viii) withdrawal of guidelines currently applicable to only NBFC-MFIs, including withdrawal of the two-lender norm for lending by NBFC-MFIs and withdrawal of all pricing-related instructions applicable to NBFC-MFIs.

The new regulatory regime ensures a level playing field and benefits NBFC-MFIs

In its master directions on microfinance loans released in March 2022, the RBI has done away with the interest rate cap applicable on loans given by NBFC-MFIs. Entities providing microfinance loans will have to put in place a Board-approved policy for the pricing of loans. The policy should include the interest rate model, the range of spread of each component for various categories of borrowers, and the interest rate ceiling and all other charges on MFI loans.

With microfinance loans provided by NBFC-MFIs and banks/SFBs now being subject to the same rules unlike the earlier regime, the RBI has ensured a level playing field for both NBFC-MFIs and banks/SFBs.

The increase in annual household income cap for microfinance borrowers (to Rs 3,00,000 in both urban and rural areas), removal of the two-lender norm for lending by NBFC-MFIs, and providing NBFC-MFIs greater flexibility to offer non-MFI loans (MFI loans should account for 75% of total assets for NBFC-MFIs, as per the new regulations) will increase market opportunities and enable NBFC-MFIs to achieve a more balanced portfolio.

On the flip side, the increase in annual household income threshold could increase the maximum permissible indebtedness limit of borrowers from Rs 1,25,000. While limit of 50% of total household incomes on the loan repayment obligation will act as a safeguard against excessive leveraging, the increased permissible debt limit and possibility of divergences in household income assessment criteria across lenders still pose risks. Proper data infrastructure would be required to analyse and estimate household income, especially in rural areas.

Following RBI's revised regulations for MFI loans effective October 1, 2022, some MFIs have increased interest rates for borrowers by 150-200 bps, especially for customers with untested credit behaviour.

CRISIL MI&A expects the rates to slowly stabilize as MFIs begin to adapt to the new regime and put in place processes to assess household income, leverage and risk capture based on the new guidelines. Competitive forces would prevent a substantial spurt in rates for MFI customers, especially those with a good repayment track record and credit behaviour.

The key changes in the regulatory framework and their potential impact on NBFC-MFIs are captured below:

<table>
<tr><th rowspan="2">Area of regulation</th><th colspan="2">Earlier regulations</th><th>New regulations (effective April 1, 2022)</th></tr>
<tr><th>For NBFC-MFIs</th><th>For banks and SFBs</th><th>For all regulated entities*</th></tr>
<tr><td>Loan pricing</td><td>Margin cap at 10% for large MFIs (loan portfolios > Rs 1 billion)
12% for small MFIs (loan portfolios < Rs 1 billion)</td><td rowspan="2">No restrictions for banks and SFBs</td><td rowspan="2">No pricing cap. Underwriting of loans to be done on risk-based analysis, and a risk premium to be charged based on the borrower.
A Board-approved policy for pricing of loans to be put in place. The policy should include the interest rate model, the range of spread of each component for various categories of borrowers, and the interest rate ceiling and all other charges on MFI loans.</td></tr>
<tr><td>Processing fees</td><td>Not more than 1% of the gross loan amount</td></tr>
</table>

<table>
<tr><td>Qualifying criteria</td><td>85% loans unsecured</td><td>Have to meet the target set for priority sector loans</td><td>The minimum requirement of microfinance loans has been revised to 75% of an NBFC-MFI’s total assets.
The maximum limit on microfinance loans for NBFCs other than NBFC-MFIs has been revised to 25% of the total assets from 10% previously.</td></tr>
<tr><td>Household income</td><td>Rural areas: Rs 125,000 per annum
Urban areas: Rs 200,000 per annum</td><td rowspan="3">No restrictions for banks and SFBs</td><td rowspan="3">Annual household income: Up to Rs 300,000 for urban as well as rural areas. (Higher than the amount stated in the consultation paper issued in June 2021 – up to Rs 125,000 for rural areas and Rs 200,000 for urban and semi-urban areas)
Board-approved policy for the assessment of household income.

As per the revised regulation cap/restrictions for ticket size and tenure has been removed.</td></tr>
<tr><td>Ticket size of loans</td><td>Rs 75,000 in the first cycle and Rs 125,000 in the subsequent cycles</td></tr>
<tr><td>Tenure of loans</td><td>Not less than 24 months for loan amounts in excess of Rs 30,000</td></tr>
<tr><td>Lending to the same borrower</td><td>Not more than two lenders allowed per borrower</td><td>More than two banks can lend to the same borrower</td><td rowspan="2">Limit on maximum loan repayment obligation of a household towards all loans: 50% of monthly household income.</td></tr>
<tr><td>Overall borrower indebtedness</td><td>Should not exceed Rs 125,000</td><td>No restrictions for banks and SFBs</td></tr>
</table>

**Regulated entities include all commercial banks (including SFBs, local area banks and regional rural banks), excluding payments banks; all primary (urban) co-operative banks, state co-operative banks and district central co-operative banks; and all NBFCs (including MFIs and housing finance companies); Source: RBI, CRISIL MI&A*

RBI increased risk weights for unsecured lending

Usually, in case of consumer credit exposure of NBFCs, loan exposures generally attract a risk weight of 100% and on a review, RBI decided that the consumer credit exposure of NBFCs (outstanding as well as new) categorised as retail loans, excluding housing loans, educational loans, vehicle loans, loans against gold jewellery and microfinance/SHG loans, shall attract a risk weight of 125%. CRISIL expects that this will result into higher capital requirements for the lenders and an increase in lending rate for the borrowers.

NBFC-MFIs to grow faster than SFBs

Loans in the microfinance sector are provided by banks, SFBs, NBFC-MFIs, other NBFCs, and non-profit organisations. Banks provide loans under the SHG model. However, they also disburse microfinance loans directly or through BCs to meet their priority-sector lending targets. Banks (under the Self Help group and Joint Liability group programmes) account for 57% of the MFI loans outstanding as of May 2023, followed by NBFC-MFIs who have a 26% market share. SFB and NBFC market share stood at 11% and 6% respectively as on May 2023.

Key participants in the MFI lending business are:

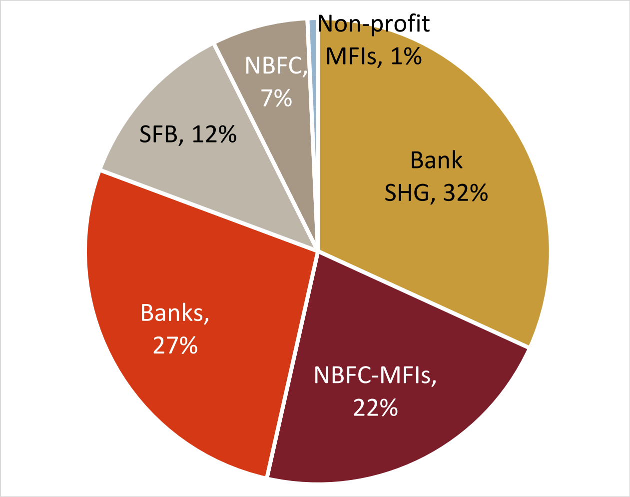
- Banks-SHGs, which refers to banks who provide microcredit under the SGH programme
- Banks (direct and indirect through BCs) includes portfolios for direct and indirect lending (through BCs) by banks; private banks are key constituents
- NBFC-MFIs includes MFIs exclusively focused on the microfinance business, and accordingly registered as NBFC-MFIs with the RBI.
- SFBs: This category includes 10 players (AU, Capital, ESAF, Equitas, Fincare, Jana, North East, Suryoday, Ujjivan, and Utkarsh), of which 8 were formerly NBFC-MFIs, and have now converted into SFBs
- NBFCs include Fullerton, L&T Finance, and Reliance Commercial Finance Ltd, each of which has a microcredit lending business, in addition to other lending businesses
- Non-profit MFIs refers to MFIs registered as not-for-profit organisation, such as Cashpor, which is now converted to NBFC

After commencement of operations, SFBs that were previously NBFC-MFIs started expanding in other asset classes, such as affordable housing, SMEs and vehicle finance, to create a balance between secured and unsecured assets, while diversifying their product offering. This strategy of diversification may result in other assets growing more in comparison to the microfinance portfolios of SFBs.

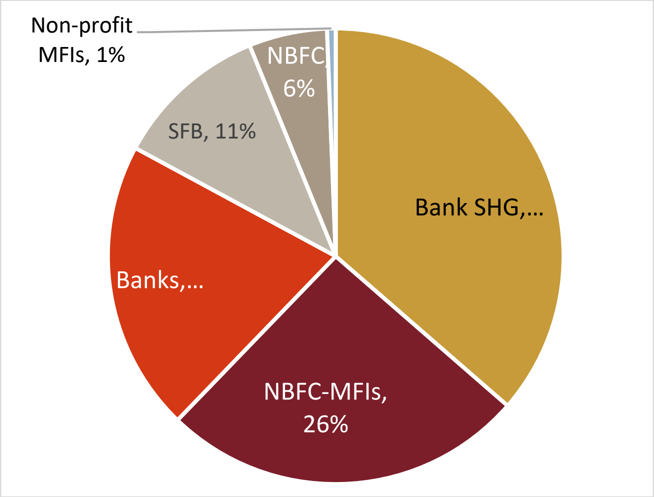
Hence, CRISIL MI&A expects NBFC-MFIs to grow at a much faster rate of 19-20% between fiscal 2023 and 2026 vis-v-a-vis SFBs which are expected to grow at slower rate, on account of increasing focus of SFBs towards other product suite beyond the MFI loan portfolio.

Player Group-wise Market Share

FY20 – Rs. 3,400 billion

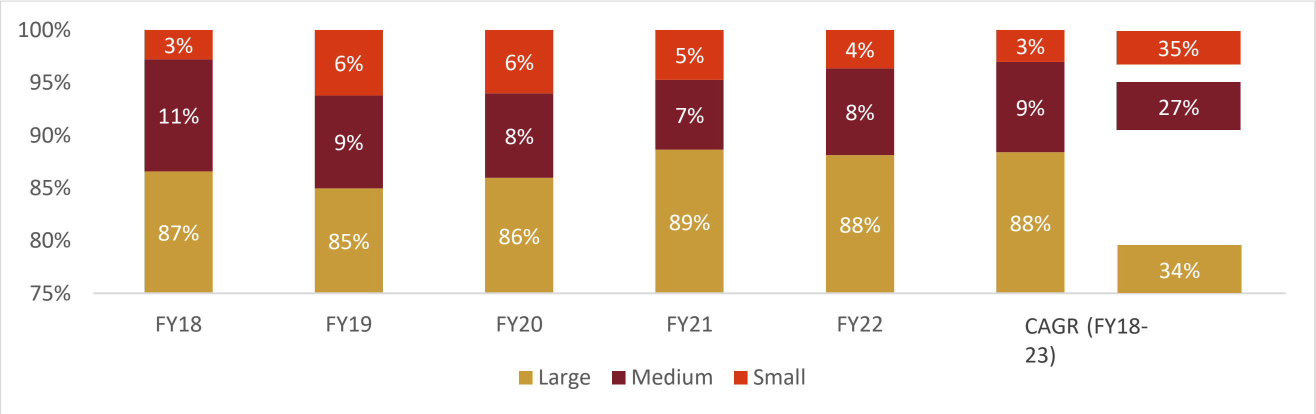


May 2023 – Rs. 5,508 billion



Note: Data includes data for banks SHG, bank JLG, SFBs, NBFC-MFIs, other NBFCs and non-profit MFIs.
Source: MFIN, CRISIL MI&A, Industry

Growth is strong across players; small size players have reported fastest growth over fiscal 2018-23



Note: Data includes 49 NBFC MFI players, Players are classified based on Gross Loan Portfolio (GLP), Large players have GLP>Rs.20,000 million, Medium players have GLP between Rs. 5,000 million and Rs. 20,000 million, Small players have GLP upto Rs 5,000 million; Source: MFIN, CRISIL MI&A

Comparison of different participants in microfinance lending business

	Scheduled commercial banks	SFBs	MFIs
Priority sector lending			
Targeted lending to sectors	• 40% for priority sector lending of their adjusted net bank credit (ANBC) or equivalent off-balance-sheet exposure (whichever is higher) • 18% of ANBC to agriculture • 7.5% of ANBC to micro-enterprises • 12% of ANBC to weaker sections	• 75% for priority sector lending of their ANBC • 18% of ANBC to agriculture • 7.5% of ANBC to micro-enterprises • 12% of ANBC to weaker sections • At least 50% of loan portfolio should constitute loans and advances of up to ₹2.5 million	• 75% of loans should be qualifying microfinance assets • Income generation loans > 50% of total loans
Prudential norms			
Capital adequacy framework	• Minimum Tier 1 capital: 7% • Minimum capital adequacy ratio: 9%	• Minimum Tier 1 capital: 7.5% • Minimum capital adequacy ratio: 15%	• Tier 1 capital > Tier 2 capital • Minimum capital adequacy ratio: 15%
Margin cap	• No margin cap	• No margin cap	• No margin cap
CRR / SLR	• Maintenance of CRR/SLR mandatory	• Maintenance of CRR/SLR mandatory	• No such requirement
Leverage ratio	• Minimum leverage ratio of 4%	• Minimum leverage ratio of 4%	• No such requirement
Liquidity coverage ratio/ net stable funding ratio (NSFR)	• Mandatory requirement to maintain liquidity coverage ratio	• Minimum liquidity coverage ratio of 100% by January 1, 2021 • NSFR will be applicable to SFBs on par with scheduled commercial banks as and when finalised	• No such requirement
Funding			
Deposits	• Primarily rely on deposits for funding requirements •	• Primarily rely on deposits for funding requirements • Deposit ramp-up will take time	• Cannot accept deposits
Bank loans/ market funding	• Access to broader array of market borrowings	• Access to broader array of market borrowings • No access to bank loans	• Diversified funding sources, including bank loans, short- and long-term market borrowings; funding from NABARD, MUDRA loans, etc
Products			
Products offered	• Full spectrum of banking, savings, investment and insurance products	• Can offer savings and investment products apart from credit products/loans • Can act as corporate agent to offer insurance products • Cannot act as business correspondent to other banks	• Can act as a business correspondent to another bank and offer savings, deposits, credit and investment products • Can act as a corporate agent to offer insurance products

Source: RBI, CRISIL MI&A

Though the above regulations related to MFIs seem to be less relaxed than others, they provide an opportunity to MFIs to maintain a singular focus on the customers they cater to and the products they offer. The processes and systems can be built more efficiently and customised to the requirements of the customers, and deeper local understanding can be developed to handle nuances of different geographical areas. Another major advantage is the institution can be more flexible and react and adjust to various events faster. Also, being under the purview of the RBI provides a separate identity to the institutions, and policy measures related to this segment gets due focus.

MFIs also focusing on third-party products to provide customer centric services

The MFIs have built a large distribution network across urban and rural India. They are now leveraging this network to distribute the financial and non-financial products of other institutions to their members. Their networks allow such distributors access to a segment of the market which many others do not otherwise have access to. While MFIs continue to focus on their core business of providing microcredit services, they seek to diversify into other businesses by scaling up certain pilot projects involving fee-based services and secured/unsecured individual lending. Such diversification also helps MFIs retain existing customers who want to also start small and medium enterprises (SMEs) on their own, have business needs (retail business loans or 2-wheeler loans), or want a better lifestyle (home improvement loans, two-wheeler loans etc.). The objective is to increase member loyalty and also provide economic benefits to members and their families. The product diversification enables MFIs to add stability to their asset base in case of event risks.

Individual micro-lending

Individual micro-lending by NBFC-MFIs (including SFBs) is aimed at two segments of customers. Firstly, it allows MFIs to graduate existing good and loyal customers to higher ticket individual loans (> 1.25L RBI Cap). Secondly, it helps them tap new markets and improve outreach by serving the underserved customer segment with better margins in overall lending. Many MFIs have already started targeting such customers with specific needs, for their various ventures. Since, as per an RBI directive, individual lending cannot be more than 15% of the overall portfolio, this portfolio currently varies from 10-15% of total outstanding loans for most MFIs. Maximum variance permitted for individual loans between the minimum and maximum interest rate cannot exceed 4%. Average interest paid on borrowings and charged by MFI is to be calculated on average monthly balances of outstanding borrowings and loan portfolios, respectively.

Product financing

Microfinance companies lend for both consumption as well as productive purposes. In 2011, RBI regulations stipulated a minimum of 70% of MFI loans were to be deployed for income-generating activities. This was because lending towards non-income generating activities could result in people remaining trapped in a debt cycle.

Agriculture and trading are the major sub-sectors where income-generation loans are deployed. Non-income generation loans are used for consumption, housing, education, mobile, water and sanitation, health etc. Microfinance lenders provide these loans by cross-selling to the existing microfinance borrowers.

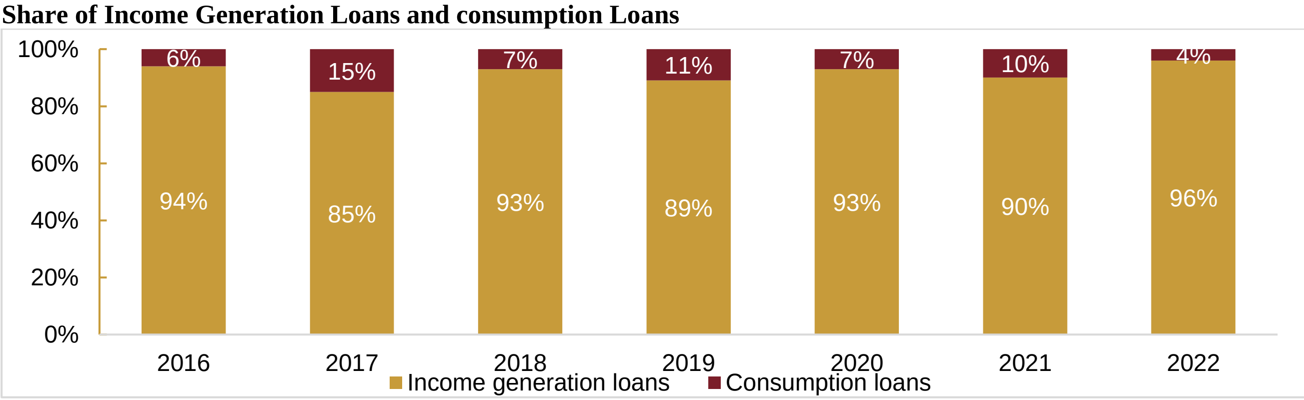
Products	Indicative list of players offering
Solar	Arohan Financial, Satin Creditcare, Muthoot Microfin
Water and Sanitation	Arohan Financial, CreditAccess Grameen, Ujjivan SFB, Satin Creditcare, Muthoot Microfin
Home Appliances	Arohan Financial, CreditAccess Grameen, Ujjivan SFB, Satin Creditcare
Cycle and Personal	Arohan Financial, Ujjivan SFB, Satin Credit Care
Mobile loans	Arohan Financial, Ujjivan SFB, Satin Creditcare, Muthoot Microfin
Home Improvement loans	Utkarsh SFB, CreditAccess Grameen, Asirvad Microfinance, Annapurna Financial, Ujjivan SFB

Source: Company reports, Company websites, CRISIL MI&A

The 70% floor towards income-generation loans was changed in 2015. As per an RBI regulation in April 2015, a part (i.e., maximum of 50%) of the aggregate amount of loans may be extended for other purposes such as housing repairs, education, medical and other emergencies. However, the aggregate amount of loans given to a borrower for income generation should constitute at least 50% of the total loans from the NBFC-MFI. As per the latest RBI (Regulatory Framework for Microfinance Loans) Directions 2022, a minimum of 50% of aggregate amount were to be deployed for income-generation activities.

As per Bharat Microfinance report 2022, the proportion of income generating loans to consumption loans is 96% to 4% in fiscal 2022. CRISIL MI&A expects that the share of income generation loans will remain in majority going forward.

Share of Income Generation Loans and consumption Loans



Note: The data for the industry given above is estimated using the data available for MFIs as per Bharat Microfinance Report 2022

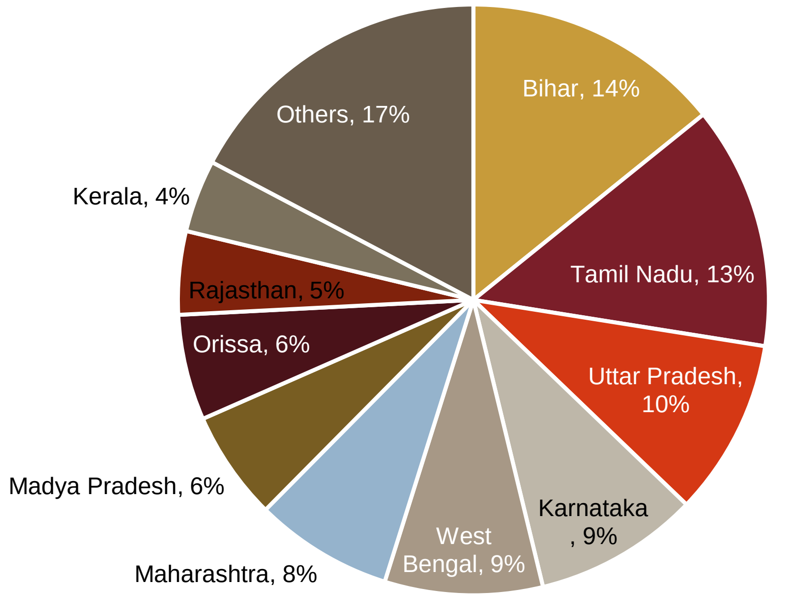
Source: Bharat Microfinance Report 2022, CRISIL MI&A

State-wise Analysis

Top 10 states contribute about 83% of MFI loans

About 83% of the AUM is concentrated in the top 10 states with Bihar (14%), Tamil Nadu (13%), and Uttar Pradesh (10%) recording the highest shares as of May 2023. In top states Bihar reported fastest disbursement growth of 17% in first quarter of fiscal 2024, it is followed by Uttar Pradesh 14%. Punjab asset quality (PAR>90) is the weakest 5.5%, it is followed by West Bengal (4.0%) and Haryana (3.9%).

State-wise distribution of MFI loans portfolio o/s (as of May 2023)



Note: Data includes data for Banks, SFBs, NBFC-MFIs, other NBFCs and non-profit MFIs.
Source: MFIN, CRISIL MI&A

State-wise distribution of MFI loans disbursement

Rs billion	FY22	FY23	Growth (y-o-y)
Bihar	11,791	19,233	63%
Tamil Nadu	9,578	13776	44%
Uttar Pradesh	7,531	14,194	88%
Karnataka	8,570	12,330	44%
Madya Pradesh	6,324	9,309	47%
Maharashtra	6,205	8,821	42%
Orissa	7,232	12,914	79%
West Bengal	5,757	9,518	65%
Rajasthan	4,264	6,205	46%

Source: MFIN, CRISIL MI&A

Underpenetrated states to drive growth for MFI in the coming years

CRISIL MI&A expects growth in the MFI portfolio to come from states that have a relatively lower penetration. Thus, CRISIL MI&A expects underpenetrated states like Uttar Pradesh, Andhra Pradesh and Telangana to drive future growth along with some of the moderately penetrated states, such as Rajasthan, Maharashtra, Madhya Pradesh and Gujarat.

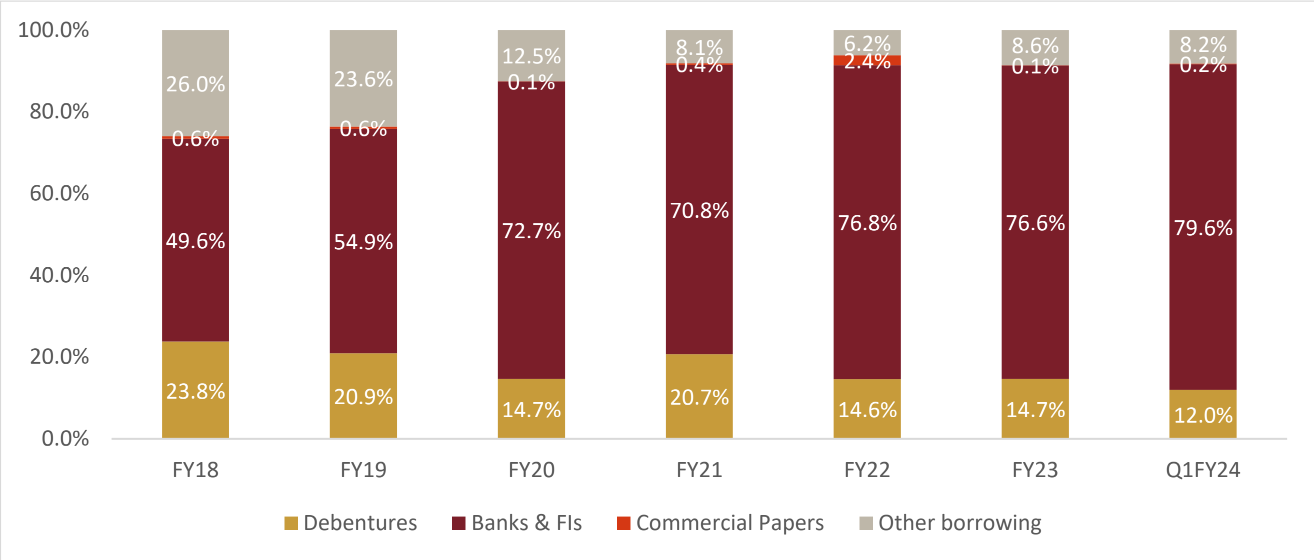
Source: MFIN, CRISIL MI&A
Note: 1) Andhra Pradesh (AP) has not been considered for analysis due to many write-offs after the AP crisis and as some large players are not present in the state, 2) Penetration has been computed by dividing no. of MFI clients (December 2020) by estimated number of households in 2020, 3)Pan-India penetration has been determined based on the analysis of 19 states.

Borrowing Mix

Banks have traditionally been the key lenders to NBFC-MFIs. Smaller players would resort to portfolio sell-outs to channel growth. However, in fiscal 2021, funds raised by NBFC-MFIs through non-convertible debenture (NCD) issuances increased substantially, mainly due to targeted long-term repo operations (TLTRO) announced by the RBI. NBFC-MFIs also raised funds through the partial credit guarantee scheme under which the RBI extended a special liquidity facility to NABARD, SIDBI and National Housing Bank to the tune of Rs 25,000 crore, Rs 15,000 crore and Rs 10,000 crore, respectively, to be further lent to sectors such as construction and small and medium NBFC-MFIs. After an increase in term loans from banks by 600 bps in fiscal 2022, the borrowings remained range bound in fiscal 2023.

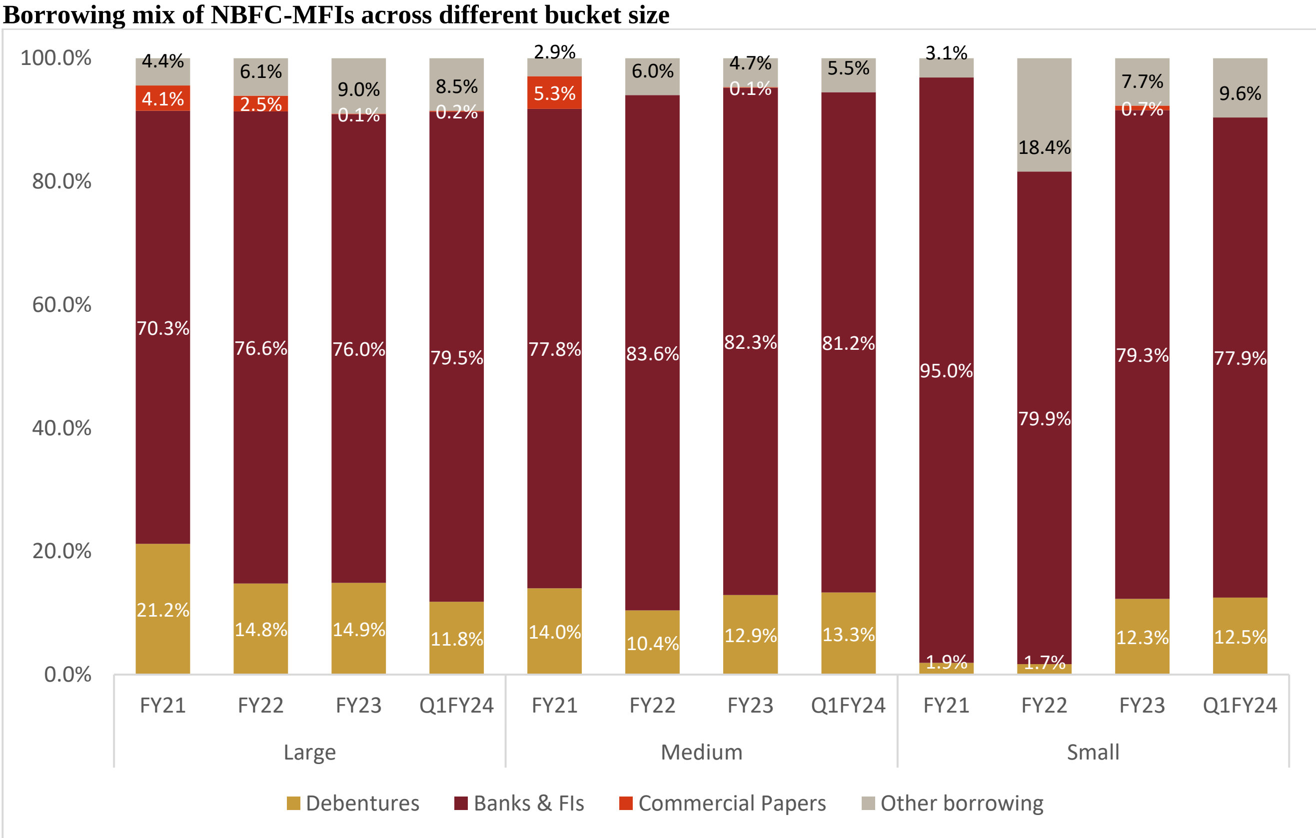
The share of term loans is expected to increase with a decline in NCD borrowings on account of hardening of interest rates due to a 250-bps hike in repo rates in fiscal 2023. The RBI has continued to pause interest rate hikes since February 2023 and is monitoring the impact of rate transmission on the economy. In addition, MFIs have been regularly raising equity over the years, indicating stable investor confidence.

Borrowing mix of NBFC-MFIs



Note: Data is based on sample set of NBFC MFIs accounting for 95% of the GLP as of Q1FY24, Other borrowing include sub-debt and external borrowings
Source: MFIN, CRISIL MI&A

Borrowing mix of NBFC-MFIs across different bucket size



Note: Data is based on sample set of NBFC MFIs accounting for 95% of the GLP as of Q1FY24, Other borrowing include sub-debt and external borrowings
Source: MFIN, CRISIL MI&A

In Q1FY24, ~80% of the debt funding for large MFIs was from Banks and other financial institutions. Medium and small MFIs were also able to source 81% and 78% debt funding from banks and other financial institutions respectively.

Asset quality

In fiscal 2021, the asset quality deteriorated sharply, reflecting the adverse impact of Covid-19 on the industry. The asset quality of NBFC-MFIs started deteriorating from third quarter of fiscal 2021 and PAR>90 shot up above 8.4% in March 2021. This could be attributed to slippages from the restructured book for various MFI players. The situation improved for NBFCs and NBFC MFIs, which witnessed a sharp improvement in fiscal 2023. At end of Q1 Fiscal 2024, the PAR>90 for NBFC MFIs stood at 6.2% from 8.4% at end of Fiscal 2021.

Player groupwise asset quality (PAR>90 days)

Player Group	FY 2021	FY 2022	FY 2023	Q1FY24
Banks	8.1%	13.2%	13.2%	11.3%
NBFC MFIs	8.4%	8.3%	7.7%	6.2%
NBFCs (excluding NBFC MFIs)	8.4%	4.1%	2.4%	3.7%
Small Finance Banks	8.8%	11.4%	10.3%	10.1%

Source: MFIN, CRISIL MI&A

Reduction in credit cost to boost profitability of MFIs in the medium term

In fiscals 2021 and 2022, the cost of borrowing remained relatively stable despite the pandemic. However, with an increase in the repo rate in fiscal 2023, the cost of borrowing is estimated to have increased for MFIs. The increase is likely to be offset by steeper lending rates, thereby cushioning net interest margins (NIMs). Further, enhanced flexibility to set lending rates is one of the drivers supporting a revival in MFIs' profitability this fiscal, led by RBI's removal of the interest margin cap on lending rates under its new regulatory framework for microfinanciers.

Over fiscals 2021 and 2022, annual credit costs of the industry shot up to 3-5% because of pandemic-related provisioning. However, most MFIs increased provisioning levels to fortify their balance sheets against asset quality risks. CRISIL MI&A estimates credit costs decreased last fiscal because of lower provisions and an improvement in repayment levels of borrowers.

A majority of borrowers in the microfinance sector receive loans from NBFC-MFIs at fixed interest rates due to the short duration of these loans. Any changes in the repo rate are quickly reflected in the interest rates charged to borrowers. However, it is important to note that these revised interest rates apply only to new borrowers, as existing borrowers continue to operate under the previous rate structure. While an increase in the repo rate will lead to higher yields for NBFC-MFIs, we anticipate that NIMs of these institutions will generally remain range bound. CRISIL MI&A predicts a gradual decrease in credit costs throughout fiscal 2024 to support the overall profitability of the microfinance industry. In this context, the new framework introduced by the RBI is favourable for MFIs. This framework includes higher income eligibility thresholds for borrowers and provides greater flexibility in loan pricing for MFIs.

Profitability (return on assets) of MFIs to improve this fiscal

RoA tree	FY19	FY20	FY21	FY22	FY23	FY24P
Interest income	18.2%	17.2%	15.7%	15.9%	17.3%	18.7%
Interest expense	8.5%	7.7%	7.4%	7.1%	7.3%	8.0%
Net Interest Income	**9.7%**	**9.6%**	**8.3%**	**8.8%**	**10.0%**	**10.7%**
Other income	2.1%	2.0%	1.2%	1.3%	2.3%	1.6%
Operating costs	5.5%	5.1%	4.4%	4.9%	5.4%	4.9%
Credit cost	0.7%	1.5%	4.6%	3.5%	3.3%	2.8%
Tax	1.6%	1.5%	0.3%	0.6%	1.0%	1.1%
RoA	**4.0%**	**3.5%**	**0.2%**	**1.1%**	**2.6%**	**3.5%**

Note: P: projected; All above ratios are calculated on average assets.
Source: CRISIL MI&A

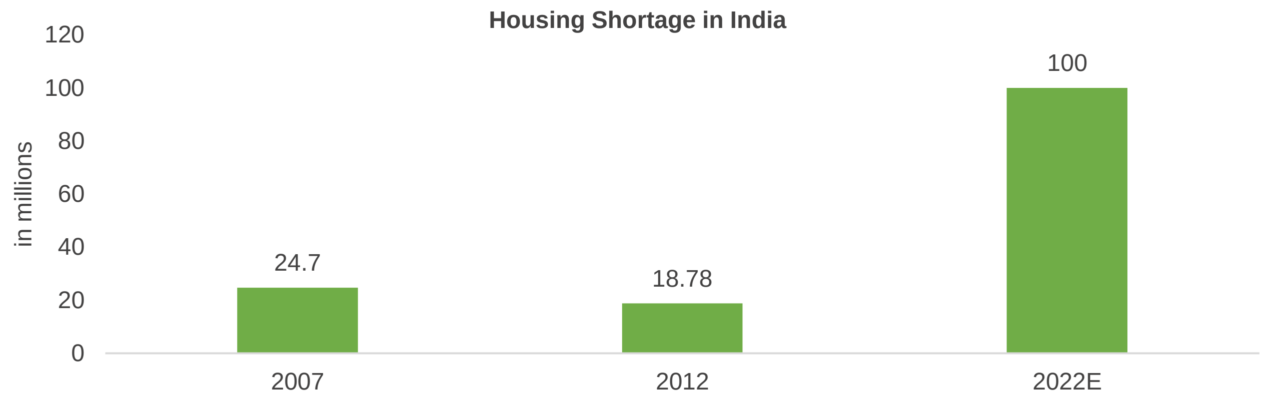
OVERALL MORTGAGE LOANS

Housing Loans

Housing is regarded as the engine of economic growth and can give a big push to the economy through its forward and backward linkages with more than 250 anciallry industries. The sector has strong inter-industry linkages and investments in housing can have multiplier effects on generation of income and employment in the country. Recognising the importance of housing as a basic human need, the government has announced multiple schemes to continue their focus on housing in the country.

Estimated shortage and requirement of ~100 million houses in 2022

The housing shortage in India has only increased since the estimates at the time of the Twelfth Five-year plan. As per the report of RBI-appointed Committee on the Development of housing finance securitisation market (September 2019), the housing shortage in India is estimated to increase to 100 million units by 2022. The majority of the household shortage is for Lower income group (LIG) and Economic weaker section (EWS) with a small proportion of shortage (5-7%) of the shortage coming from middle income group or above. Total incremental housing loans demand, if this entire shortage is to be addressed, is estimated to be in the region of Rs 50 trillion to Rs 60 trillion, as per the Committee report. In comparison, the overall housing loans outstanding (excluding PMAY loans) as of March 2023 is around Rs 31.1 trillion. This indicates the immense latent potential of the market; in case a concrete action is taken for addressing the shortage of houses in the country.



Note: E: Estimated
Source: RBI, Planning Commission, CRISIL MI&A

Opportunity for financiers well established in Housing segment

As per the report of RBI-appointed Committee on the Development of housing finance securitisation market (September 2019), the total value of units to fulfil the entire shortage is estimated at Rs. 149 trillion, out of which Rs. 58 trillion is estimated to be the aggregate loan demand for housing.

Estimates for aggregate demand for Housing

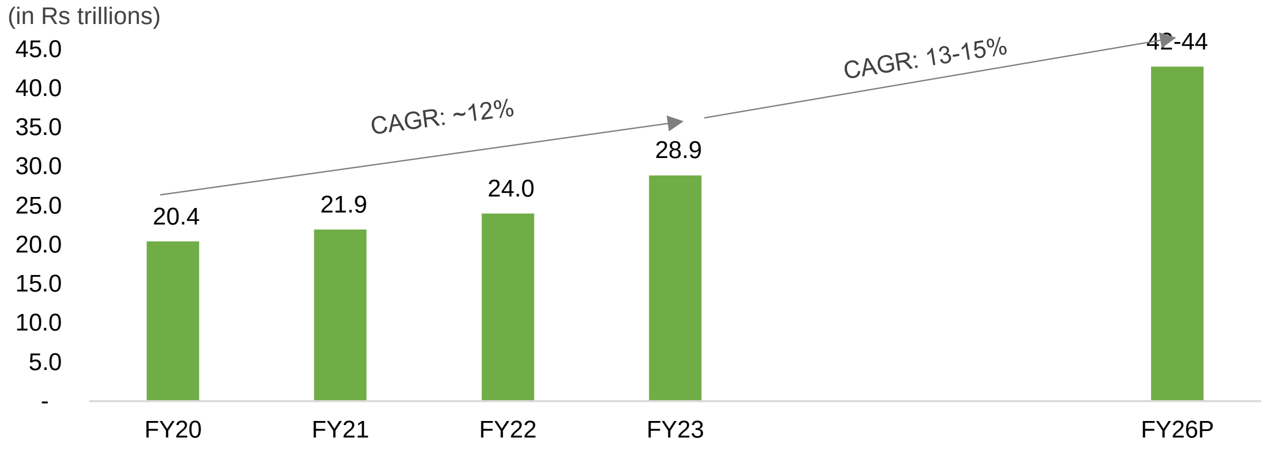
Income Segment	Housing Shortage (in Mn)	Avg ticket size (Rs. Mn)	Value of Units (in Rs. Tn)	LTV	Credit Penetration	Aggregate loans demand (in Rs. Tn)
EWS	45	0.75	34	40%	40%	5
LIG	50	1.5	75	50%	80%	30
MIG & above	5	8	40	65%	85%	22
Total	**100**		**149**			**58**

Source: RBI Committee Discussion (Sept 2019), CRISIL MI&A

Housing Finance to log a CAGR of 13-15% in the long term between fiscal 2023 and 2026

The Indian Housing Finance market clocked a healthy ~12% CAGR (growth in loan outstanding) over fiscals 2020-2023 on account of rise in disposable incomes, healthy demand, and greater number of players entering the segment. Over the past two fiscals, the housing finance segment has seen favorable affordability on account of stable property rates and improved annual income of individual borrowers. The Overall housing finance segment credit outstanding was ~Rs. 28.9 trillion as of March 2023. The provision of housing loans through a registered housing finance entity provides certain competitive advantages, including increased leverage due to lower capital adequacy norms applicable to such entity, as well as lower risk weightage applicable to housing finance loans.

Overall Housing Loans Outstanding projected to grow at 13-15% over fiscal 2023-2026



Note: P- Projected; Source: CRISIL MI&A

In fiscal 2021, credit growth slowed owing to outbreak of the Covid-19 pandemic, which impacted the low- and middle-income groups. However, there was a faster-than-envisaged revival in the second half of fiscal 2021 on the back of the RBI, the Centre and state governments providing impetus to the segment with tax sops, lower stamp duty and favourable interest rates. The growth in the housing sector continued in fiscal 2022, with middle income groups opting for homes in tier II and III cities. Also, the customers shifted their preference towards large homes on account of work from home policies.

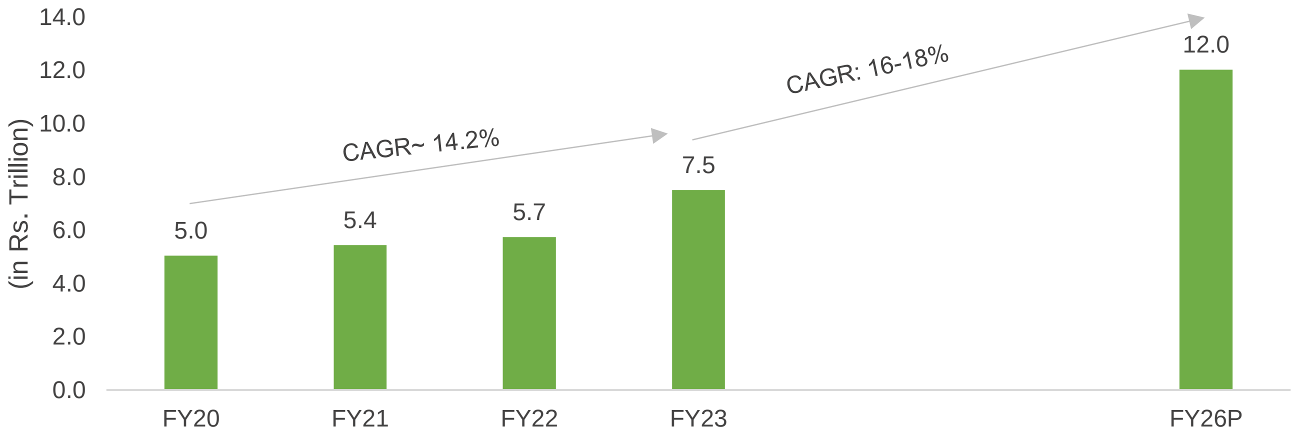
In fiscal 2023, the RBI started increasing repo rates owing to concerns over increasing inflation and its impact on the macro economy amid geopolitical issues. Despite the aggressive rate hikes during the fiscal, credit growth remained intact, with healthy growth by both banks and HFCs/NBFCs. In the past, demand for home loans rose due to higher demand from tier II and III cities, rising disposable incomes and government steps, such as interest rate subvention schemes and fiscal incentives. In fiscal 2024, the credit growth momentum is expected to continue for HFCs/NBFCs, with affordable HFCs getting back on track, and expected to post robust growth. CRISIL MI&A expects overall housing portfolio of HFCs/NBFCs to grow by 12-14% in fiscal 2024 driven by demand from top cities, growth in capital values and incremental construction under PMAY.
Loan Against Property

Loan Against Property (LAP) is availed by mortgaging a property (residential or commercial) with the lender. LAP is a secured loan, as it provides collateral to the financier in the form of the property. Its interest rate is lower than personal or business loans. It could be used for either business or personal purposes. It can be availed by both salaried and self-employed individuals. For all these reasons, LAP has become popular among borrowers in recent years. The financiers offering housing loans, also provide LAP loans primarily due to synergies between the two products, higher yields offered by LAP, while continuing to cater to similar customer profile, collateral requirement and ticket size.

Key factors that contributed to high LAP growth are:

- **Quick turnaround time, lower interest rate, lesser documentation:** LAP loans are disbursed in about half the time taken for a secured MSME loan. It is also offered at a lower interest rate than unsecured MSME loans, personal and business loans. LAPs require less documentation than other secured SME products, leading to fewer hassles for customers.
- **Greater transparency in the system:** Demonetization, GST, and the government's strong push for digitization have led to higher transparency in the system. This will keep pushing up loan amount eligibility of borrowers. Formalization will also help many new borrowers come under the ambit of formal lending channels.
- **Rising penetration of formal channels:** Increase in penetration and availability of formal lending channels outside the top 10 cities will eat into the market share of unorganized moneylenders.
- **Higher comfort for lenders:** Lenders are comfortable disbursing LAP loans, as it offers favorable risk-return characteristics, compared with MSMEs and unsecured loans. They also offer higher recovery in case of default (supported by the Securitization and Reconstruction of Financial Assets and Enforcement of Securities Interest Act (SARFAESI), 2002) and better asset quality, which is partly offset by lower yields.

Overall LAP portfolio to grow at 16-18% CAGR between fiscal 2023 and fiscal 2026



Note: P: Projected
Source: CRISIL MI&A

The overall Loan against property segment has grown at a CAGR of 14.2% from fiscal 2020 to fiscal 2023. The market size has expanded from Rs 5.0 trillion as of fiscal 2020 to Rs. 7.5 trillion as of fiscal 2023. The growth in this segment is attributed to increasing financial penetration and an increase in the number of players in the targeted market. In fiscal 2021 and 2022, the overall LAP portfolio witnessed a slower growth of 7.9% & 5.5%. respectively. This was primarily due to slowdown in the economic activity and pandemic induced lockdown imposed by the government. However in fiscal 2023, the overall LAP portfolio grew by 30.7% year-on-year on account of improved economic conditions and normalization of business activities. Going forward, CRISIL MI&A expects overall LAP portfolio to grow at 16-18% CAGR between fiscal 2023 and fiscal 2026 aided by increasing lender focus and penetration of such loans, enhanced availability of data increasing lender comfort while underwriting such loans, enhanced use of technology, newer players entering the segment, and continued government support.

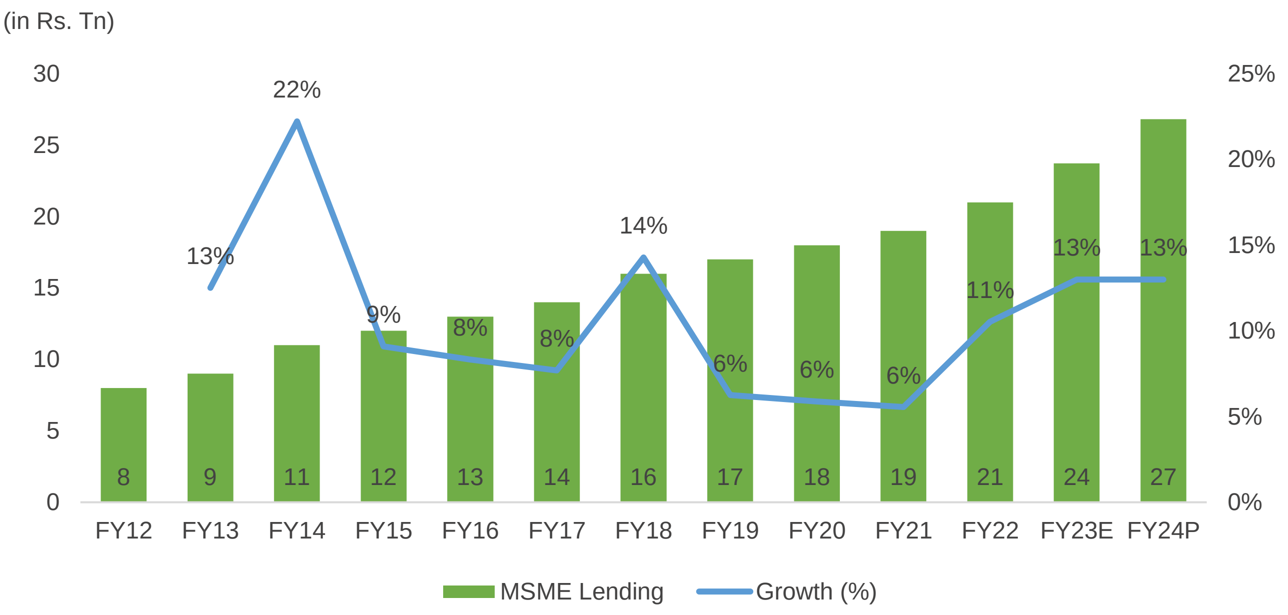
MSME LOANS

Overall MSME lending has grown at a CAGR of 10% in the past decade

CRISIL MI&A estimates the total size of MSME lending market across ticket sizes and various player groups (banks, NBFCs, small finance banks, and other formal lenders) to be around ₹ 24 trillion as of March 2023. This market size includes loans taken by MSMEs across various constitution types (sole proprietorships, partnership firms, private and public limited companies, and co-operatives) and the ticket size spectrum, and includes loans extended in the name of the firm/entity/company as well as the individuals in case of micro enterprises or entrepreneurs.

CRISIL MI&A estimates loans to MSMEs to have grown at a CAGR of 10% during Fiscal 2012 to Fiscal 2023, which is similar to the nominal GDP growth in this period. This can be attributed to various events during this time span that has impacted MSMEs – demonetisation of high-value currency loans in November 2016, the implementation of GST subsequently, the economic slowdown in Fiscal 2020 followed by the COVID-19 pandemic. In Fiscal 2023, with recovery in economic activity, MSME lending is estimated to have grown at a 13% growth rate year-on-year. In addition, in Fiscal 2024, CRISIL MI&A projects the MSME overall industry growth to be at 13% - 15% owing to budgetary push and rise in entrepreneurship in India.

MSME credit outstanding estimated at ₹ 24 trillion as of March 2023



Source: CRISIL MI&A estimates

COVID-19 pandemic led to a heavy impact in the MSME industry in Fiscal 2021 which was also seen in the first quarter of Fiscal 2022. ECLGS schemes aimed to reduce the impact of the COVID-19 pandemic on the MSME sector. The first half of Fiscal 2022 was also impacted by the second wave leading to lower disbursements to these MSMEs. This led to the extension of the ECLGS scheme which cushioned the impact of COVID-19 pandemic. ECLGS scheme led by revival of economic activities, strong exports and domestic growth prompted MSME lending to grow at 13% in Fiscal 2022.

NBFCs have managed to carve out a strong presence in MSME loans due to their focus on serving the needs of the customer segment, faster turnaround time, customer service provided and expansion in geographic reach. Over the years, the MSME portfolio of NBFCs have grown at a faster rate than the overall MSME portfolio at a systemic level. Going forward CRISIL MI&A expects the competitive positioning of NBFCs to remain strong, given their strong target customer and product focus. Growth drivers

High credit gap in the MSME segment

Less than 15% of approximately 70 million odd MSMEs have access to formal credit in any manner as of March 2022. High-risk perception and the prohibitive cost of delivering services physically have constrained traditional institutions' ability to provide credit to underserved or unserved MSMEs and self-employed individuals historically. As a result, they resort to credit from informal sources. This untapped market offers huge growth potential for financial institutions. As stated earlier, the credit gap was estimated at around ₹ 58.4 trillion as of 2017 (Source: IFC report named Financing India's MSMEs released in November 2018, CRISIL MI&A) and is estimated to have widened further to around ₹ 92 trillion as of Fiscal 2023.

Credit Gap estimated at ₹ 92 trillion as of Fiscal 2023

Note: Overall formal MSME credit given above includes all kinds of secured and unsecured loans given to MSMEs across ticket sizes by organised lenders.
Source: MSME Ministry Annual report for FY21, IFC report on Financing India's MSMEs dated November 2018, CRISIL MI&A

PEER COMPARISON

In this chapter, CRISIL MI&A has analysed the operational performance and key financial indicators of various large and medium NBFC-MFI (non-banking finance company-microfinance institution) players in terms of assets under management (AUM).

Our Company is the seventh largest NBFC-MFI in India in terms of AUM as of June 2023 amongst the peers set

Our Company has maintained its position amongst the top ten leading NBFC MFI with a market share of 5.86% as of June 2023. Credit Access Grameen leads the pack with market share of 15.34% as of June 2023.

Comparison of key players in the MFI industry

AUM (Rs billion)	Market share#	As of March 31, 2019	As of March 31, 2020	As of March 31, 2021	As of March 31, 2022	As of March 31, 2023	As of June 30, 2023
CreditAccess Grameen Ltd	15.34%	71.59	98.96	113.41	137.32	210.31	218.14
IIFL Samasta Finance Ltd	7.78%	22.86	34.00	47.96	64.84	105.52	110.72
Asirvad Microfinance Ltd	7.13%	38.41	55.03	59.85	70.20	100.41	101.41
Fusion Micro Finance Ltd	6.83%	26.41	36.57	46.38	66.54	92.96	97.12
Muthoot Microfin Ltd	6.47%	43.54	49.32	49.77	65.67	92.08	NA
Annapurna Finance Pvt Ltd	6.32%	30.18	40.09	48.08	65.49	88.14	89.96

AUM (Rs billion)	Market share#	As of March 31, 2019	As of March 31, 2020	As of March 31, 2021	As of March 31, 2022	As of March 31, 2023	As of June 30, 2023
Satin Creditcare Network Ltd	**5.86%**	**63.74**	**72.66**	**72.75**	**64.09**	**79.29**	**83.67**
Spandana Sphoorty Financial Ltd	5.88%	43.72	68.29	81.39	61.51	79.80	83.33
Svatantra Microfin Pvt Ltd	5.41%	12.32	26.02	35.64	54.47	74.99	76.94
Belstar Microfinance Ltd	4.93%	18.41	23.59	32.99	43.65	61.92	70.08
Namra Microfinance Ltd	1.27%	4.84	6.21	6.41	10.22	16.14	18.00

*Note: (1) *: AUM for NBFC-MFI players comprises largely of MFI loans and some non-MFI loans allowed as per extant regulations and based on each company's strategy, (2) #: Market share is based on June 2023 AUM of NBFC-MFIs; NBFC MFIs are arranged in order of June 2023 AUM (3) ^^: Market Share calculated based on March 2023 AUM, (4) NA – Not available.*
Source: MFIN, Company reports, CRISIL MI&A

Our Company has the third highest year on year growth in Disbursement in Fiscal 2023

Our Company (83.33%) has the third highest year on year growth in Disbursement in Fiscal 2023. Spandana Sphoorty (142.65%) and Asirvad Microfinance (126.43%) has higher growth in Disbursement in Fiscal 2023.

Comparison of key players in the MFI industry

Disbursement (Rs billion)	FY19	FY20	FY21	FY22	FY23	Q1FY24	Growth y-o-y FY20	Growth y-o-y FY21	Growth y-o-y FY22	Growth y-o-y FY23	Growth y-o-y Q1FY24
CreditAccess Grameen Ltd	82.21	103.89	96.41	128.33	185.39	47.71	26.37%	-7.20%	33.11%	44.46%	122.32%
IIFL Samasta Finance Ltd	24.18	30.79	36.95	57.10	102.09	23.80	27.33%	20.01%	54.53%	78.79%	64.14%
Asirvad Microfinance Ltd	42.85	47.80	36.20	85.57	193.76	48.30	11.55%	-24.27%	136.38%	126.43%	40.69%
Fusion Micro Finance Ltd	28.21	35.73	36.76	60.58	83.75	22.13	26.68%	2.88%	64.80%	38.25%	13.60%
Muthoot Microfin Ltd	45.58	40.66	25.81	46.69	81.04	NA	-10.79%	-36.52%	80.90%	73.57%	NA
Annapurna Finance Pvt Ltd	40.09	40.13	30.86	53.23	77.14	17.90	0.10%	-23.10%	72.49%	44.92%	42.40%
Spandana Sphoorty Financial Ltd	49.69	80.04	64.26	31.42	76.24	15.99	61.08%	-19.72%	-51.10%	142.65%	31.07%
Satin Creditcare Network Ltd	**62.52**	**80.45**	**43.94**	**40.31**	**73.90**	**19.80**	**28.68%**	**-45.38%**	**-8.26%**	**83.33%**	**27.41%**
Svatantra Microfin Pvt Ltd	11.32	24.86	24.14	47.30	62.86	16.70	119.56%	-2.91%	95.94%	32.90%	29.86%
Belstar Microfinance Ltd	17.97	26.19	24.35	35.46	57.95	20.46	45.75%	-7.03%	45.63%	63.42%	84.32%
Namra Microfinance Ltd	5.89	6.53	4.17	8.22	14.85	4.53	10.87%	-36.14%	97.12%	80.66%	42.90%

Source: MFIN, company reports, CRISIL MI&A

Our Company has the third highest Clients per Branch & Clients per Employee at end of Q1Fiscal 2024

Our Company has the third-best servicing capability with its clients per branch at 2,548, only behind Fusion Microfinance (3,513) and Belstar Microfinance (2,988). In terms of clients per employee, Our Company stood third amongst the peer set in Q1Fiscal 2024. Our Company also has the sixth highest number of loans disbursed per loan officer in Q1Fiscal 2024. Asirvad Microfinance & CreditAccess Grameen have a higher no. of loans disbursed per loan officer In Q1Fiscal 2024

Reach and efficiency parameters (Q1FY24)	No of employees	No. of loan officers	No of branches	Clients per employee	Clients per branch	Clients per loan officer	No of loans disbursed per loan officer	No. of loans disbursed (in lakhs)
CreditAccess Grameen Ltd	17,391	12,043	1,826	254	2,422	367	103	12.42
IIFL Samasta Finance Ltd	12,774	7,591	1,352	195	1,842	328	72	5.47
Asirvad Microfinance Ltd	16,021	8,127	1,738	218	2,011	430	114	9.30

Fusion Micro Finance Ltd	10,385	6,541	1,033	349	3,513	555	80	5.22
Muthoot Microfin Ltd	NA	NA	NA	NA	NA	NA	NA	NA
Annapurna Finance Pvt Ltd	10,844	7,537	1,237	232	2,034	334	45	3.41
Spandana Sphoorty Financial Ltd	10,671	8,214	1,245	214	1,832	278	47	3.84
Satin Creditcare Network Ltd	**9,330**	**6,263**	**1,096**	**299**	**2,548**	**446**	**72**	**4.52**
Svatantra Microfin Pvt Ltd	7,400	4,518	954	309	2,400	507	85	3.84
Belstar Microfinance Ltd	8,421	4,721	781	277	2,988	494	87	4.09
Namra Microfinance Ltd	2,469	1,845	274	240	2,164	321	54	1.00

Source: MFIN, Company reports, CRISIL MI&A

Reach and efficiency parameters (FY23)	No of employees	No. of loan officers	No of branches	Clients per employee	Clients per branch	Clients per loan officer	No of loans disbursed per loan officer	No. of loans disbursed (in lakhs)
CreditAccess Grameen Ltd	16,759	15,712	1,786	254	2,388	271	311	48.83
IIFL Samasta Finance Ltd	12,213	6,214	1,267	193	1,858	379	382	23.72
Asirvad Microfinance Ltd	15,874	8,736	1,684	210	1,983	382	450	39.28
Fusion Micro Finance Ltd	9,625	6,269	1,019	365	3,452	561	352	22.09
Muthoot Microfin Ltd	10,227	6,274	1,172	271	2,366	442	340	21.34
Annapurna Finance Pvt Ltd	10,356	6,501	1,183	241	2,106	383	231	15.00
Spandana Sphoorty Financial Ltd	9,674	7,503	1,153	220	1,844	283	220	16.48
Satin Creditcare Network Ltd	**9,222**	**6,125**	**1,078**	**278**	**2,374**	**418**	**285**	**17.48**
Svatantra Microfin Pvt Ltd	7,272	4,685	804	306	2,770	475	351	16.43
Belstar Microfinance Ltd	8,022	4,533	767	262	2,742	464	297	13.46
Namra Microfinance Ltd	2,227	1,632	274	247	2,004	336	199	3.25

Source: MFIN, company reports, CRISIL MI&A

Our Company & Asirvad Microfinance have the largest presence across 24 states as of Q1Fiscal 2024

Amongst the peer set, Our Company & Asirvad Microfinance are most diversified with presence across 24 states.

Geographical presence of select players in the MFI Industry

No. of states	FY19	FY20	FY21	FY22	FY23	Q1FY24
CreditAccess Grameen Ltd	14	14	14	14	15	15
IIFL Samasta Finance Ltd	17	17	17	17	19	21
Asirvad Microfinance Ltd	23	23	23	23	23	24
Fusion Micro Finance Ltd	18	18	18	18	20	20
Muthoot Microfin Ltd	16	16	16	16	18	NA
Annapurna Finance Pvt Ltd	18	18	18	20	20	20
Spandana Sphoorty Financial Ltd	18	18	18	18	18	18
Satin Creditcare Network Ltd	**23**	**23**	**23**	**23**	**24**	**24**
Svatantra Microfin Pvt Ltd	17	17	19	19	19	19
Belstar Microfinance Ltd	18	18	18	18	18	18
Namra Microfinance Ltd	6	6	7	8	8	8

Notes: NA – Not available.
Source: MFIN, company reports, CRISIL MI&A

Comparison of key players in the MFI space based on geographical concentration of portfolio

Asirvad Microfinance has the lowest concentration of top 3 states in terms of AUM at 38%, followed by Spandana Sphoorty (42%) and our Company (48%) as of June 2023. Our Company is therefore, the third most diversified NBFC MFI across top 3 states amongst the peer set.

Q1 Fiscal 2024	Share of rural portfolio	Share of top states by AUM		
		Top States	Top 3 states	Top 5 states
CreditAccess Grameen Ltd	85%^^	33%*	74%*	85%*
IIFL Samasta Finance Ltd	NA	NA	50%^	NA
Asirvad Microfinance Ltd	88%	14%	38%	55%

Q1 Fiscal 2024	Share of rural portfolio	Share of top states by AUM		
		Top States	Top 3 states	Top 5 states
Fusion Micro Finance Ltd	94%	23%	53%*	70%
Muthoot Microfin Ltd	NA	28%*	56%*	NA
Annapurna Finance Pvt Ltd	83%* ^^	20%*	51%	NA
Spandana Sphoorty Financial Ltd	87%*	16%	42%	63%
Satin Creditcare Network Ltd	**77%^^**	**27%**	**48%**	**NA**
Svatantra Microfin Pvt Ltd	NA	21%	NA	69%
Belstar Microfinance Ltd	83%* ^^	49%*	62%*	NA
Namra Microfinance Ltd	88%#	28%	67%	89%

Notes: Share of Top states for Namra Microfinance is for Armaan Financial, the parent company of Namra Microfinance
*NA – Not available, * Data as of Fiscal 2023, ^ Data as of December 2022, ^^ Share of rural clients is a percentage of total clients, ** Share of top 6 districts, # Share of rural branches as % of total branches.*
Source: MFIN, company reports, CRISIL MI&A

CreditAccess Grameen has the lowest cost to income ratio as of June 2023 among the peer set

CreditAccess Grameen's cost to income ratio stood at 31.08% which was the lowest as of June 2023 as compared to its peers. Our Company has the third best cost to income ratio of 37.30% at end of Fiscal 2023, after Namra Microfinance (30.00%) and Credit Access Grameen (35.57%).

Cost to income ratio	FY19	FY20	FY21	FY22	FY23	Q1FY24
CreditAccess Grameen Ltd	35.26%	34.54%	41.65%	45.60%	35.57%	31.08%
IIFL Samasta Finance Ltd	60.04%	49.81%	62.59%	52.59%	86.04%	61.76%
Asirvad Microfinance Ltd	41.31%	33.88%	46.66%	49.65%	48.26%	40.91%
Fusion Micro Finance Ltd	63.21%	50.84%	44.26%	44.26%	38.44%	36.26%
Muthoot Microfin Ltd	42.16%	49.36%	64.61%	65.02%	51.39%	48.21%
Annapurna Finance Pvt Ltd	62.15%	62.00%	58.50%	63.07%	55.10%	49.49%
Spandana Sphoorty Financial Ltd	24.94%	20.89%	21.96%	39.55%	45.44%	43.71%
Satin Creditcare Network Ltd	**51.27%**	**51.27%**	**59.47%**	**64.92%**	**37.30%**	**46.39%**
Svatantra Microfin Pvt Ltd	71.46%	103.69%	59.08%	47.63%	37.41%	37.99%
Belstar Microfinance Ltd	44.22%	50.97%	56.77%	52.91%	45.94%	40.28%
Namra Microfinance Ltd	48.44%	43.26%	44.55%	42.93%	30.00%	NA

Source: Company reports, CRISIL MI&A

Namra Microfinance reported the highest Return on Equity (ROE) among the peer set as of fiscal 2023.

Players	ROE					
	FY19	FY20	FY21	FY22	FY23	Q1FY24
CreditAccess Grameen Ltd	13.61%	13.01%	4.52%	10.09%	18.26%	26.24%
IIFL Samasta Finance Ltd	28.06%	27.67%	11.50%	6.14%	11.04%	NA
Asirvad Microfinance Ltd	18.85%	25.52%	1.54%	1.31%	17.09%	26.93%
Fusion Micro Finance Ltd	11.24%	7.63%	3.60%	1.68%	21.16%	20.21%
Muthoot Microfin Ltd	31.23%	2.03%	0.79%	4.26%	11.06%	22.82%
Annapurna Finance Pvt Ltd	14.48%	11.98%	0.24%	2.21%	3.27%	21.17%
Spandana Sphoorty Financial Ltd	16.37%	14.98%	4.84%	1.62%	0.41%	NA
Satin Creditcare Network Ltd	**16.93%**	**15.35%**	**-0.92%**	**2.60%**	**15.02%**	**17.50%***
Svatantra Microfin Pvt Ltd	11.35%	11.41%	5.94%	6.50%	12.86%	27.03%
Belstar Microfinance Ltd	27.69%	22.03%	8.98%	6.46%	13.35%	18.49%
Namra Microfinance Ltd	19.97%	22.13%	4.07%	13.05%	27.56%	NA

Note: (*) As reported by the company; RoE annualized for Q1FY24
Source: Company reports, CRISIL MI&A

Our Company reported the 3rd highest Return on Assets (RoA) among the peer set in fiscal 2023

Our Company's RoA stood at 3.52%, which is the third highest amongst the select peer set at end of Fiscal 2023. Namra Microfinance reported the highest RoA of 5.01% amongst the peer set.

Players	ROA					
	FY19	FY20	FY21	FY22	FY23	Q1FY24

CreditAccess Grameen Ltd	4.37%	3.64%	1.22%	2.78%	4.51%	6.21%
IIFL Samasta Finance Ltd	3.99%	4.67%	1.88%	0.94%	1.68%	NA
Asirvad Microfinance Ltd	3.56%	4.63%	0.27%	0.22%	2.63%	4.45%
Fusion Micro Finance Ltd	1.83%	1.77%	0.87%	0.33%	4.65%	4.99%
Muthoot Microfin Ltd	6.61%	0.48%	0.17%	0.97%	2.32%	4.37%
Annapurna Finance Pvt Ltd	2.30%	2.01%	0.03%	0.27%	0.42%	2.95%
Spandana Sphoorty Financial Ltd	6.30%	6.21%	1.80%	0.61%	0.15%	NA
Satin Creditcare Network Ltd	**2.91%**	**2.26%**	**-0.18%**	**0.53%**	**3.52%**	**4.30%***
Svatantra Microfin Pvt Ltd	1.76%	1.49%	0.85%	0.98%	1.95%	4.21%
Belstar Microfinance Ltd	4.27%	4.33%	1.56%	1.12%	2.41%	3.28%
Namra Microfinance Ltd	2.90%	3.79%	0.69%	2.14%	5.01%	NA

Note: (*) As reported by the company; RoA annualized for Q1FY24
Source: Company reports, CRISIL MI&A

Satin Creditcare had the sixth lowest Gross Non-performing Asset (GNPA) ratio amongst the peer sets as of Q1FY24

	GNPA						NNPA					
	As of FY19	As of FY20	As of FY21	As of FY22	As of FY23	As of Q1FY24	As of FY19	As of FY20	As of FY21	As of FY22	As of FY23	As of Q1FY24
CreditAccess Grameen Ltd	0.61%	1.57%	4.38%	3.12%	1.21%	0.89%	0.17%	0.37%	1.37%	0.94%	0.35%	0.27%
IIFL Samasta Finance Ltd	NA	2.80%	1.80%	3.07%	2.12%	2.11%	NA	0.00%	0.00%	0.00%	0.00%	NA
Asirvad Microfinance Ltd	0.48%	1.60%	2.50%	1.67%	2.81%	2.89%	0.00%	0.00%	0.00%	0.32%	1.15%	1.29%
Fusion Micro Finance Ltd	1.55%	1.12%	5.50%	5.70%	3.46%	3.20%	0.56%	0.39%	2.20%	1.60%	0.87%	0.78%
Muthoot Microfin Ltd	NA	8.10%	7.86%	6.26%	2.97%	2.75%	NA	4.05%	2.15%	1.55%	0.60%	0.51%
Annapurna Finance Pvt Ltd	NA	1.36%	7.36%	9.80%	3.84%	9.77%	NA	0.84%	2.79%	2.63%	1.35%	3.59%
Spandana Sphoorty Financial Ltd	NA	0.36%	5.76%	17.70%	2.07%	1.49%	NA	0.07%	3.26%	11.80%	0.63%	0.45%
Satin Creditcare Network Ltd	**NA**	**1.57%**	**8.40%**	**8.01%**	**3.28%**	**2.49%**	**NA**	**0.37%**	**4.75%**	**2.47%**	**1.50%**	**1.14%**
Svatantra Microfin Pvt Ltd	NA	1.29%	2.13%	3.38%	5.00%	3.50%	NA	0.68%	1.13%	1.51%	1.94%	NA
Belstar Microfinance Ltd	NA	1.03%	2.72%	6.75%	2.42%	1.63%	NA	0.42%	0.59%	1.48%	0.66%	0.23%
Namra Microfinance Ltd	NA	0.94%	4.10%	4.44%	2.79%	2.40%	NA	0.06%	0.60%	0.59%	0.05%	0.00%

Source: Company reports, CRISIL MI&A

Our Company had capital adequacy ratio of 24.95% as of June 2023, well above the statutory requirement of 15%

NBFC-MFIs	Debt to equity ratio (x)						Capital adequacy ratio (%)					
	As of FY19	As of FY20	As of FY21	As of FY22	As of FY 23	As of Q1FY24	As of FY19	As of FY20	As of FY21	As of FY22	As of FY23	As of Q1FY24
CreditAccess Grameen Ltd	1.99	2.93	2.42	2.66	3.19	3.07	35.26%	23.60%	31.75%	26.54%	23.60%	24.45%
IIFL Samasta Finance Ltd	5.85	3.81	5.49	5.26	5.50	NA	20.51%	25.80%	18.60%	17.83%	17.14%	NA
Asirvad Microfinance Ltd	4.25	4.33	4.38	5.19	5.46	4.40	31.82%	25.37%	23.33%	20.81%	19.66%	23.12%
Fusion Micro Finance Ltd	4.68	2.48	3.56	4.32	2.92	2.94	26.92%	35.82%	27.26%	21.94%	27.94%	28.26%

NBFC-MFIs	Debt to equity ratio (x)						Capital adequacy ratio (%)					
	As of FY19	As of FY20	As of FY21	As of FY22	As of FY 23	As of Q1FY24	As of FY19	As of FY20	As of FY21	As of FY22	As of FY23	As of Q1FY24
Muthoot Microfin Ltd	2.77	3.22	3.39	2.99	3.99	3.95	33.05%	29.09%	22.55%	28.75%	21.87%	20.45%
Annapurna Finance Pvt Ltd	4.44	5.10	6.40	7.83	5.83	5.93	25.23%	26.74%	27.71%	29.78%	24.66%	29.82%
Spandana Sphoorty Financial Ltd	1.56	1.16	1.91	1.20	1.95	NA	42.46%	47.44%	39.20%	50.74%	36.87%	38.02%
Satin Creditcare Network Ltd	**4.55**	**3.72**	**4.04**	**3.40**	**2.85**	**NA**	**31.19%**	**30.45%**	**25.28%**	**27.84%**	**26.62%**	**24.95%**
Svatantra Microfin Pvt Ltd	6.21	6.57	5.36	5.53	5.45	NA	18.68%	20.55%	21.88%	25.65%	22.32%	21.85%
Belstar Microfinance Ltd	3.96	3.81	5.16	4.16	4.42	4.31	25.88%	25.67%	22.24%	24.06%	21.97%	22.34%
Namra Microfinance Ltd	5.73	4.65	4.72	5.01	3.97	NA	18.57%	21.11%	20.32%	18.78%	25.62%	26.32%

Source: Company reports, CRISIL MI&A

Experience of leadership team

Players	Date of incorporation	No of directors*	Proportion of independent directors
CreditAccess Grameen Ltd	1991	8	50%
IIFL Samasta Finance Ltd	1995	6	67%
Asirvad Microfinance Ltd	2007	13	62%
Fusion Micro Finance Ltd	1994	6	50%
Muthoot Microfin Ltd	1992	10	50%
Annapurna Finance Pvt Ltd	1986	14	21%
Spandana Sphoorty Financial Ltd	2003	10	50%
Satin Creditcare Network Ltd	**1990**	**7**	**71%**
Svatantra Microfin Pvt Ltd	2012	6	33%
Belstar Microfinance Ltd	1988	11	36%
Namra Microfinance Ltd	2013	4	25%

**Basis public disclosures as on October 2023*
Source: Company reports, CRISIL MI&A

Promoter vs Non-promoter shareholding of NBFC-MFI players

As of September 2023	Promoter Shareholding (%)	Non Promoter Shareholding (%)
CreditAccess Grameen Ltd	67%	33%
IIFL Samasta Finance Ltd*	100%	0%
Asirvad Microfinance Ltd*	99%	1%
Fusion Micro Finance Ltd	68%	32%
Muthoot Microfin Ltd*	85%	15%
Annapurna Finance Pvt Ltd*	87%	13%
Spandana Sphoorty Financial Ltd	63%	37%
Satin Creditcare Network Ltd	40%	60%
Svatantra Microfin Pvt Ltd*	82%	18%
Belstar Microfinance Ltd*	13%	87%
Namra Microfinance Ltd*	100%	0%

Note: (*) As of Fiscal 2023; Source: CRISIL MI&A

OUR BUSINESS

*Some of the information in this section, including information with respect to our business plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "**Forward-Looking Statements**" on page 15 for a discussion of the risks and uncertainties related to those statements and also the sections titled "**Risk Factors**", "**Financial Information**" and "**Management's Discussion and Analysis of Financial Condition and Results of Operations**" on pages 77, 302 and 130, respectively, for a discussion of certain factors that may affect our business, financial conditions, or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.*

*Unless otherwise indicated, industry and market related data used in this section has been derived from the report titled "Analysis of Microfinance Industry in India", November 2023 (the "**CRISIL Report**"), prepared and released by CRISIL Limited, which has been exclusively commissioned and paid for by our Company pursuant to a request letter dated November 3, 2023, for the purpose of confirming our understanding of the industry we operate in, in connection with the Issue. See "**Presentation of Financial and Other Information**", "**Industry and Market Data**" and "**Risk Factors – Industry information included in this Preliminary Placement Document has been derived from an industry report prepared by CRISIL and exclusively commissioned and paid for by us for such purpose**" on pages 12, 18 and 103, respectively.*

*We publish our financial statements in Indian Rupees. Our fiscal year commences on April 1 and ends on March 31 of the subsequent year, and references to a particular Fiscal are for the 12 months ended March 31 of that year. Unless otherwise indicated or the context otherwise requires, the financial information corresponding to (i) Fiscal 2021, Fiscal 2022 and Fiscal 2023 has been derived from the Audited Consolidated Financial Statements and the Audited Standalone Financial Statements, (ii) the six month period ended September 30, 2022 and September 30, 2023 for the unaudited interim condensed consolidated statement of profit and loss and unaudited interim condensed statement of cash flows has been derived from the Unaudited Interim Condensed Consolidated Financial Statements and the Unaudited Interim Condensed Standalone Financial Statements, and (v) September 30, 2023 for the unaudited interim condensed consolidated balance sheet has been derived from the Unaudited Interim Condensed Consolidated Financial Statements and the Unaudited Interim Condensed Standalone Financial Statements. Financial information for the six months ended September 30, 2022, and September 30, 2023 is not annualized and not indicative of full year results, and is not comparable with annual financial statements presented in this Preliminary Placement Document. For further information, see "**Financial Information**" on page 302. Unless otherwise indicated or the context otherwise requires, in this section, data has been provided on a consolidated basis and references to "we", "us" and "our" are to the Company together with its subsidiaries, on a consolidated basis.*

Overview

We are a financial services group with diversified product portfolio and geographical presence focused on providing a comprehensive range of products and services to the financially unserved and under-served community. As of September 30, 2023, we have 32.14 lakhs active customers and 33.35 lakhs loan accounts, who are served by our 1,335 branches situated in 412 districts and 96,000 villages across 24 Indian states and union territories.

Over the years, we have rapidly scaled our operations while maintaining our asset quality. Our AUM was ₹10,099.84 crores as of September 30, 2023. Further, our Company is amongst the top 10 leading NBFC-MFIs in India, in terms of AUM, with a market share of 5.46% as of June 30, 2023, on a standalone basis. (*Source: CRISIL Report*). In terms of disbursements, we experienced a significant year-on-year growth of 66.55%, for the financial year ended March 31, 2023, and recorded our highest ever disbursement of ₹ 8,087.06 crores. Additionally, for the six-month period ended September 30, 2023, we recorded a disbursement of ₹ 4,524.52 crores, as compared to ₹ 3,418.07 crores recorded for the six month period ended September 30, 2022.

Our Company started its operations in 1990 as a provider of low-ticket finance. It registered as an NBFC with the RBI in 1998 and was converted into an NBFC-MFI in November 2013. It currently has two wholly owned subsidiaries: Satin Housing Finance Limited (SHFL) which provides affordable housing finance loans to salaried individuals, self-employed professionals, individuals belonging to the middle and low-income groups who reside in the outskirts of tier-II and below cities and Satin Finserv Limited (SFL) which offers secured retail MSME/SME loans. Our Company also had a subsidiary, Taraashna Financial Services Limited (TFSL), which was involved in business correspondent (BC) operations, which has now merged into SFL. For further details on the product-wise AUM, see "***Selected Statistical Information***" on page 61.

Our microfinance business is primarily based on the Joint Liability Group (**JLG**) model of providing collateral free, microcredit facilities to economically active women in both rural and semi-urban areas, who otherwise have limited access to mainstream financial credit products. We also offer loans to MSMEs, housing finance loans, product loans for financing purchase of solar lamps and consumer durables and loans for development of water connection and sanitation facilities.

Set forth are the details of our key offerings:

i) MFI Portfolio

Our MFI portfolio comprises of the below-mentioned individual loan offerings. As of September 30, 2023, loans offered under the MFI portfolio accounted for 88.28% of our total AUM while in the six months ended September 30, 2023, disbursements in this offering accounted for 93.11% of our total disbursements by value.

Income Generation Loan (IGL): We provide collateral-free IGL loans (Prarambh) to economically active women in both rural and semi-urban areas for several purposes related to agricultural, transportation and trading related business operations.

Long Term Loan (LTL): Long-term loans (Vriddhi) are provided to existing customers after the successful completion of the IGL loan cycle, to enable long-term wealth generation.

Product Financing: These are customized cross-selling loans offered on the main loans availed by customers to assist local communities in several parts of the country to gain access to clean energy, better transportation as well as consumer durables such as televisions, refrigerators, mobile phones and washing machines.

WASH Loan: We provide WASH loans to enable customers to avail affordable credit so as to secure the basic necessities of life, like sanitation and hygiene. These loans facilitate multiple purposes like setting up water pumps, bore wells and toilet construction/improvement.

ii) *Non-MFI Portfolio*

Our Non-MFI portfolio is primarily divided into loans to MSMEs and Housing Finance Loans.

Housing Finance*:* We provide affordable housing finance loans to salaried individuals, self-employed professionals, individuals belonging to the middle and low-income groups who reside in the outskirts of tier-II and below cities to own, construct, purchase, extend, repair, or upgrade houses. As of September 30, 2023, home loans accounted for 5.62% of our total AUM while in the six months ended September 30, 2023, disbursements in this offering accounted for 3.23% of our total disbursements by value.

Loans to Micro, Small and Medium Enterprises Loan (MSMEs)*:* We provide loans to micro, small and medium enterprises (MSMEs). Our aim is to assist them by fulfilling their working capital requirements and facilitating their business expansions. As of September 30, 2023, loans to MSMEs accounted for 6.10% of our total AUM while in the six months ended September 30, 2023, disbursements in this offering accounted for 3.66% of our total disbursements by value.

Initially, at the time of commencement of our JLG operations, our Company's branches were primarily located in the North Indian states and it has now grown to become the most diversified MFI, amongst its peer set with operations in 24 states and union territories as of June 30, 2023 (*Source: CRISIL Report*), including Uttar Pradesh, Bihar, Madhya Pradesh, Punjab, Uttarakhand, Rajasthan, Haryana, Maharashtra, Delhi NCR, Jharkhand, Chhattisgarh, Tamil Nadu, Gujarat, West Bengal, Orissa, Karnataka, Tripura, Jammu and Kashmir, Pondicherry, Himachal Pradesh, Sikkim, Meghalaya, Arunachal Pradesh and Assam. Further, in terms of overall AUM concentration as well: our top four states contribute to 54.34% of our AUM; the next six states contribute to 29.07% of our AUM; and the remaining states and union territories contribute to 16.59% of our AUM as of September 30, 2023, which indicates our concerted efforts towards reducing regional concentration. Our operations are also well-diversified at the district level. Around 96.40% of the districts, where we had branches as of September 30, 2023, individually represent less than 1.00% of our AUM.

We have a large and diversified network of 72 lenders comprising a range of banks, NBFCs, domestic financial institutions and overseas funds, on a standalone basis. We continue to meet our borrowing requirements through term loans, non-convertible debentures, sub-debt and ECBs. The diversification of the sources of funds has allowed us to strengthen our liquidity position. Our Average Cost of Borrowings, as a percentage of the total borrowings, in Fiscal 2021, 2022, 2023 and the six months ended September 30, 2022, and September 30, 2023 was 10.19%, 10.87%, 10.34%, 5.44% and 5.48% respectively. In order to further reduce our borrowing costs, we have also securitized and assigned through bilateral transactions a certain portion of the receivables from our loan portfolio to banks and other institutions.

Despite the cyclical changes in the economy as well as the industry in which we operate, we have been able to grow our business and we believe that we have gained a comprehensive understanding of the markets and the industry. We implemented strategic changes during demonetization such as strengthening our management team, diversifying out of unsecured MFI portfolio by incorporating subsidiaries in housing and MSME finance, changing centre meeting to bi-weekly and process re-engineering which enabled us to optimise our operations. During the COVID-19 pandemic, we invested in technology and implemented several additional measures such as an integrated payment getaway on our official websites and QR codes on our loan cards which enabled easier collection of EMIs and loan repayments from customers who had relocated temporarily for business purposes.

We have implemented digitization across our operational value chain, from customer onboarding to loan disbursement and collection and delivered paperless transactions through our loan management system ("LMS"), which is compliant with the ISO 27001:2013 standard. 100% of our disbursements are through the cashless mode and 92.38% of our branches have implemented paperless operations through the electronic verification of our customers' credentials. For the six-month period ended September 30, 2023, 29.47% of our repayments were collected through cashless mode (including cash collected and dropped by our field employee at the retail outlets of our service and technical partners). Further, we have also created an in-house customer service application which enables the availability of the customer's repayment schedule on a real-time basis and facilitates quick and efficient repayment through UPI and RuPay.

We have also constantly striven to implement environmental, social and governance factors in our business operations and were recently assigned "AA" ESG rating by ESG Risk Assessments & Insights Ltd. We offer customized loans to facilitate customers' access to safe water and sanitation facilities and clean energy loans like solar and bicycle loans. Through our customised product offerings, we have empowered 838,808 households with clean energy and contributed to a reduction of 44,528 tons of carbon dioxide emissions as of July 31, 2023. Our Company has been conferred with the "Best Innovative Financial Accessibility Model" award for its WASH loans at the ISC-FICCI Sanitation Awards. Our green loan partner, D. Light, has also recognized us for our contribution towards facilitating access to affordable & sustainable impact products. In addition, we have remained steadfast in our commitment towards social initiatives and have conducted regular campaigns including organizing campaigns to increase financial literacy among our clients.

We have an experienced management team, led by HP Singh, our Company's Promoter and Chairman cum Managing Director, who has over three decades of experience in the financial services sector. We believe that the vision and leadership of our management team has contributed to our consistent and positive performance in the past and will drive our strategic growth in the future.

The following table sets out certain key financial and operational parameters for the relevant periods:

Particulars	As of/for the financial year ended March 31,			As of/for the six-month period ended September 30,	
	2021	2022	2023	2022	2023
AUM[1] (in ₹ crores)	8,378.58	7,617.24	9,115.39	7,575.34	10,099.84
AUM Growth (%)[2]	2.51	(9.09)	19.67	2.63	33.33%
Non-MFI share (%)	7.95	10.98	12.32	12.75	11.72
Average AUM (₹ in crores)[10]	8,276.12	7,997.91	8,366.32	7,596.30	9,607.62
On-book Portfolio (₹ in crores)[11]	6,000.54	5,603.66	6,337.03	5,518.34	7,356.67
Average On-book Portfolio (₹ in crores)[12]	5,435.42	5,802.10	5,970.34	5,561.00	6,846.85
Disbursements (₹ in crores)[3]	5,012.12	4,855.51	8,087.06	3,418.07	4,524.52
Average monthly disbursement (in ₹ crores)	417.68	404.63	673.92	569.68	754.09
Disbursement Growth (%)[4]	(44.16)	(3.12)	66.55	114.01	32.37
Active Customers[5] (in lakhs)	30.51	28.12	28.34	26.81	32.14
Number of branches	1,266	1,232	1,286	1,244	1,335
Number of Total Active Loan Accounts[6] (in lakhs)	33.74	30.01	29.63	28.25	33.35
Non-MFI share (%)	7.95	10.98	12.32	12.75	11.72

Particulars	As of/for the financial year ended March 31,			As of/for the six-month period ended September 30,	
	2021	2022	2023	2022	2023
Return on Assets (%)(7)	(0.18)	0.26	0.06	(2.03)	2.26
Return on Equity (%)(8)	(0.95)	1.35	0.30	(10.04)	11.03
Net Interest Margin (%)(13)	8.97	9.38	11.26	5.30	6.20
Operating Expense (in ₹ lakhs) (14)	45,018.64	50,570.24	52,792.26	26,540.25	28,985.55
Opex Ratio15)	5.44	6.32	6.31	3.49	3.02
Cost-to-Income Ratio (%)(16)	60.65	67.41	56.03	65.98	48.70
Net Interest Income (in ₹ lakhs) (9)	74,230.97	75,017.87	94,229.23	40,225.40	59,519.34
Impairment of financial instruments (in ₹ lakhs) (17)	27,902.65	18,073.66	40,808.22	33,747.25	4,657.46
Credit Cost (including provision made under FLDG arrangement) (in ₹ lakhs) (18)	30,187.72	21,029.77	40,912.91	34,209.14	4,470.85
Profit/(Loss) After Tax (in ₹ lakhs) (19)	(1,398.22)	2,069.89	481.31	(15,250.04)	19,464.96
Provisioning (in ₹ lakhs) (20)	29,332.88	35,289.11	12,923.32	15,718.26	13,581.41
Net Worth (in ₹ lakhs) (21)	1,48,616.46	1,58,185.34	1,62,812.43	1,45,507.07	1,90,019.29

Notes:

(1) AUM represents the aggregate of future principal outstanding and overdue principal outstanding, if any, for all loan assets under management which includes loan assets held by the Company as of the last day of the relevant period as well as loan assets which have been transferred by our Company by way of securitization or assignment and are outstanding as of the last day of the relevant period

(2) AUM Growth represents percentage growth in AUM for the relevant period over AUM of the previous period

(3) Disbursements represent the aggregate of all loan amounts extended to our customers in the relevant period

(4) Disbursement Growth represents percentage growth in disbursement for the relevant period over disbursement of the previous period

(5) Active Customers represent the aggregate number of customers as of the end of the relevant period including customers whose loan accounts have been transferred by our Company by way of securitization or assignment and are active as of the last day of the relevant period

(6) Total Active Loan Accounts represent the aggregate number of loan accounts outstanding as of the end of the relevant period including loan accounts which have been transferred by our Company by way of securitization or assignment and are outstanding as of the last day of the relevant period

(7) RoA represents ratio of PAT to the Average Total Assets (average of opening and closing Total Assets as per balance sheet of the relevant period)

(8) RoE represents ratio of PAT to the average Net Worth (average of opening and closing Net Worth as per balance sheet of the relevant period

(9)Net Interest Income represents Total Income reduced by finance costs in such period

(10)Average AUM is calculated as average of opening and closing AUM of the relevant period

(11)On-book Portfolio represents the aggregate of future principal outstanding and overdue principal outstanding, if any, for all loan assets under management which includes loan assets held by the Company as of the last day of the relevant period and are outstanding as of the last day of the relevant period

(12)Average On-book Portfolio is calculated as average of opening and closing On-book Portfolio of the relevant period

(13)Net Interest Margin represents the difference between the Gross Yield and the Financial Cost Ratio

(14) Operating Expenses is calculated as total expenses including depreciation but excluding credit cost and finance costs

(15) Operating Expenses Ratio represents the ratio of the Operating Expenses (expenses including depreciation but excluding credit cost and finance costs) to the Average AUM (average of opening and closing AUM of the relevant period)

(16) Cost to Income Ratio represents operating expense (defined as above) divided by NII (defined above)

(17) Impairment of financial instruments implies credit costs (excluding provision made under FLDG arrangement)

(18) Credit Cost implies Impairment of financial instruments including provision made under FLDG arrangement

(19) Profit/(Loss) After Tax represents our profit/(loss) for the period

(20) Provisioning represents the impairment on On-book Portfolio loans based on the ECL methodology

(21) Net Worth represents sum of other equity and equity share capital as of the last day of the relevant period

Our Competitive Strengths

1. *Widespread and diversified geographical presence*

Our Company has become the most diversified MFI, amongst its peer set, as of June 30, 2023, with operations in 24 states and union territories.

Our lending business was initially focused on individual lending in urban areas, however, starting May 2008, we have gradually added rural clients to our client base through our JLG Model inspired by the "Grameen Model". We now have a significant rural network with 1,335 branches and 85 regional offices situated in 412 districts and 96,000 villages across 24 Indian states and union territories and 75.89% of our AUM coming from rural areas as of September 30, 2023.

Further, in keeping with our efforts to expand our footprint, we have also focused on mitigating a key risk in the microfinance business- regional concentration. From about 40.92% of our total AUM being concentrated in Uttar Pradesh as of March 31, 2016, only 26.56% of our AUM was derived from the state, as of September 30, 2023, indicating our concerted efforts towards geographical diversification while simultaneously growing our business and loan portfolio over the years.

Set forth below is a break-down of our AUM reflecting our presence in our key States and Union Territories, and our concerted efforts made towards geographical diversification in the seven-year period from March 31, 2016, to September 30, 2023

(in ₹ crores, unless otherwise indicated)

Particulars	Percentage of Total AUM (%)		AUM as of September 30, 2023
	As of March 31, 2016	As of September 30, 2023	
Top four states	**71.47**	**54.34**	**5,488.34**
Uttar Pradesh	40.92	26.56	2,682.19
Bihar	17.74	13.84	1,398.42
West Bengal	0.12	7.48	754.98
Punjab	12.69	6.46	652.75
Next six states	**21.74**	**29.07**	**2,935.90**
Madhya Pradesh	15.52	6.43	649.64
Rajasthan	2.35	5.66	572.57
Delhi & NCR	1.99	4.66	470.38
Orrisa	0.00	4.50	454.06
Assam	0.00	4.35	439.83
Haryana	1.88	3.46	349.42
Other States/ Union Territories	**6.79**	**16.60**	**1,675.60**
Jharkhand	0.72	3.29	332.00
Tamil Nadu	0.00	3.08	311.00
Gujarat	0.51	2.61	263.25
Maharashtra	1.58	2.37	240.18
Chhattisgarh	0.55	1.54	155.08
Uttarakhand	3.25	1.46	147.69
Karnataka	0.00	1.34	135.19
Tripura	0.00	0.63	64.03
Jammu & Kashmir	0.11	0.07	7.09
Arunachal Pradesh	0.00	0.06	5.73
Himachal Pradesh	0.05	0.06	5.58
Meghalaya	0.00	0.04	3.76
Pondicherry	0.00	0.04	3.74
Sikkim	0.00	0.01	1.28
Chandigarh	0.02	0.00	0.00
Total	**100.00**	**100.00**	**10,099.84**

We have, in the seven-year period from March 31, 2016 to September 30, 2023, increased our exposure to newer states, reducing exposure to traditional regions and have entered new geographies which has led to our overall AUM concentration being well-diversified as evidenced by the fact that:

- our top four states contribute to 54.34% of our AUM, as of September 30, 2023;
- the next six states contribute to 29.07 % of our AUM, as of September 30, 2023; and
- the remaining states and union territories contribute to 16.59% of our AUM, as of September 30, 2023.

Our operations are also well-diversified at the district level. Around 96.40% of the districts, where we had branches as of September 30, 2023, individually represent less than 1.00% of our AUM. Among districts, our top 50 districts contribute to 43.71%, our top 100 districts contribute to 62.35%, our top 175 districts contribute to 79.62% and our top 200 districts contribute to 83.78% of our AUM as of September 30, 2023.

This demonstrates the fact that we have expanded our operations to establish a national presence. We believe our extensive geographic presence puts us in a vantage position to lend across the country while insulating us against risks arising from regional, economic, political, cultural or environmental adversities.

2. *Comprehensive understanding of the industry leading to consistent and sustainable growth in our operations*

Our Company was incorporated in 1990 as Satin Leasing and Finance Private Limited with the objective of providing low-ticket finance. It registered as an NBFC with the RBI in 1998 and was converted into an NBFC-MFI in November 2013. At present our entire microfinance operations are conducted through the JLG Model. During the 33 years of operations, our Company has experienced various business cycles.

The microfinance industry in India suffered a downturn in the year 2010 when adverse financial conditions in certain states in India, particularly in the state of Andhra Pradesh and debt related suicides by farmers led to adverse publicity for the microfinance sector in India (*Source: CRISIL Report*). While the demonetization of ₹ 500 and ₹ 1,000 denomination banknotes in November 2016 hurt the industry, the impact was not as deep as the Andhra Pradesh crisis and was limited to certain districts (*Source: CRISIL Report*). Portfolio at risk (PAR) data as of September 2018 indicates the industry recovered strongly from the aftermath of the demonetization (*Source: CRISIL Report*).

Despite the cyclical changes in the economy as well as the industry in which we operate, we have been able to grow our business and we believe that we have gained a comprehensive understanding of the markets and the industry which has helped us develop sound customer relationships. We implemented strategic changes during demonetization such as strengthening our management team, diversifying out of unsecured MFI portfolio by incorporating subsidiaries in housing and MSME finance, changing centre meeting to bi-weekly and process re-engineering which enabled us to optimise our operations. Further, we created our in-house centralised loan management system which led to same-day disbursement of laons, availability of data on a real-time basis, enhanced productivity and improved monitoring and control. During the COVID-19 pandemic, we invested in our technology and created an in-house customer service application which enables the availability of the customer's repayment schedule on a real-time basis and facilitates quick and efficient repayment through UPI and RuPay. We also launched UPI 2.0 autopay and implemented contactless repayment through Google pay, Paytm, PhonePe etc. An integrated payment getaway was introduced on our official websites along with QR codes on our loan cards which enabled easier collection of EMIs and loan repayments from clients who had relocated temporarily for business purposes.

In the current fiscal, our Company disbursed loans to 48.50% first cycle customers out of its total customers during the six-month period ended September 30, 2023. Further, at the time of disbursement, about 30.82% of the customers, had our Company as the only lender.

We continue to build client confidence through our operation's methodology which includes compulsory group training for clients ("**CGT**") to ensure basic level of financial literacy and understanding of our programs and group recognition tests ("**GRT**") to check awareness levels of the clients and to confirm that the clients understand our rules and regulations. Our persistent focus is to refine our services for our clients by ethical and transparent business activities. Our Company was recently felicitated with the best 'On-Boarding Programme of the Year Award' at the Learning and Development Summit and Awards 2022 organized by UBS Forums and acknowledged for 'Impactful Contribution in the Economy' at the 4th Elets BFSI Game Changer Summit.

3. ***Customer-centric business model resulting in high customer retention***

We consider our customers to be the most significant stakeholders at the core of our operations. As of September 30, 2023, we had served 32.14 lakh active customers. We believe that our customer-centric business model allows us to retain a high proportion of our existing customers and to attract new customers. During the past three financial years, our focus has been on retaining our existing borrowers, whilst consciously adding new borrowers with a deep rural focus. We follow a multi-pronged approach to customer engagement, which comprises the following key elements:

- *Product offerings across the entire customer life-cycle* - We offer a diverse product suite that caters across the life cycle of our customers and enhances their productivity and income generating potential. We provide microcredit loans without collateral to underserved women in rural and semi-urban areas with limited access to traditional financial service providers. We also endeavour to cater to customers who have completed more than two loan cycles with the Company and have bigger credit requirements by offering affordable housing and retail MSME loans through our subsidiaries. We, therefore, believe that we provide loans that are relevant for the critical needs of our customers throughout their lifespan, which helps in generating loyalty amongst our existing customers and in attracting new customers. Our dedicated business intelligence unit further enables us to improve our product offerings, by closely watching the competition and communicating and monitoring tailored business plans & strategies for on-field implementation.

- *Simplified borrower centric processes*- Our business is focused on financial inclusion, along with ease of doing business with us. To cater to our MFI borrower base, which primarily comprises women from rural areas, we focus on providing simple and standardized products, which are outside the traditional channels of finance, that borrowers can easily familiarize themselves with. Further, to enable clear lines of communication, and to provide timely interventions, we provide doorstep services. Our branch offices are well-connected with the rural areas and are located at a radius of 35-50 kms from the villages of our target customers. Our Community Service Officers (**CSOs**) are also regularly in touch with our borrowers including being present at meetings of the JLGs and are able to address concerns that are raised at the meetings. As of September 30, 2023, we have 8,863 loan officers, which includes our trainee CSOs and quality officers.

- *Focus on customer engagement* – we follow a predominantly bi-weekly collection model, which enables a high degree of customer engagement. We believe that the high customer engagement achieved via the frequency of our collections and weekly or fortnightly meetings, and interactions with our customers is an important factor in ensuring customer repayment and keeping our credit costs at optimal levels.

- *Sparsh: Customer support and timely grievance resolution* – In line with our customer-centric approach, we have enhanced our customer support capabilities. We have established a dedicated grievance redressal mechanism to ensure timely resolution and comprehensive assistance for any customer queries or concerns. This dedicated support system reinforces our commitment to delivering excellent customer service at every touchpoint. If a complaint requires further attention, it is escalated to the Sparsh Single Point of Contact (SPOC) at our Company's corporate office.

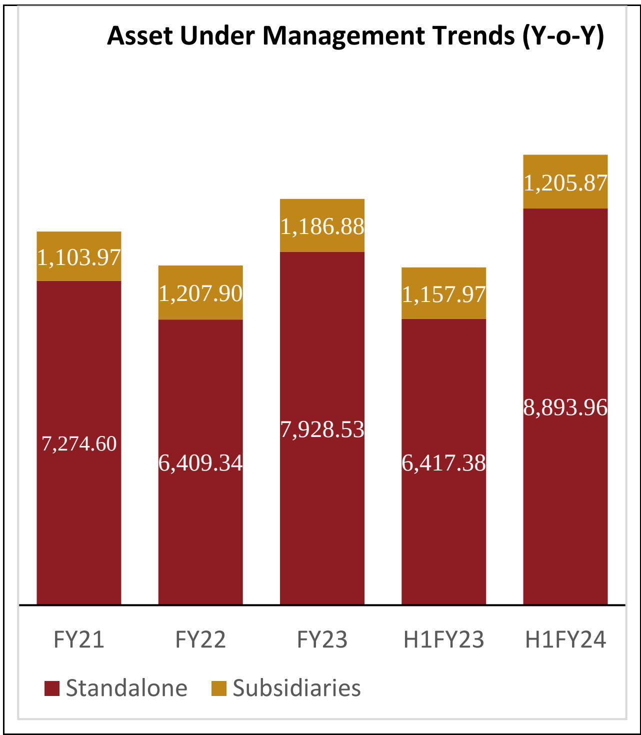
4. *Sound operational performance and liquidity*

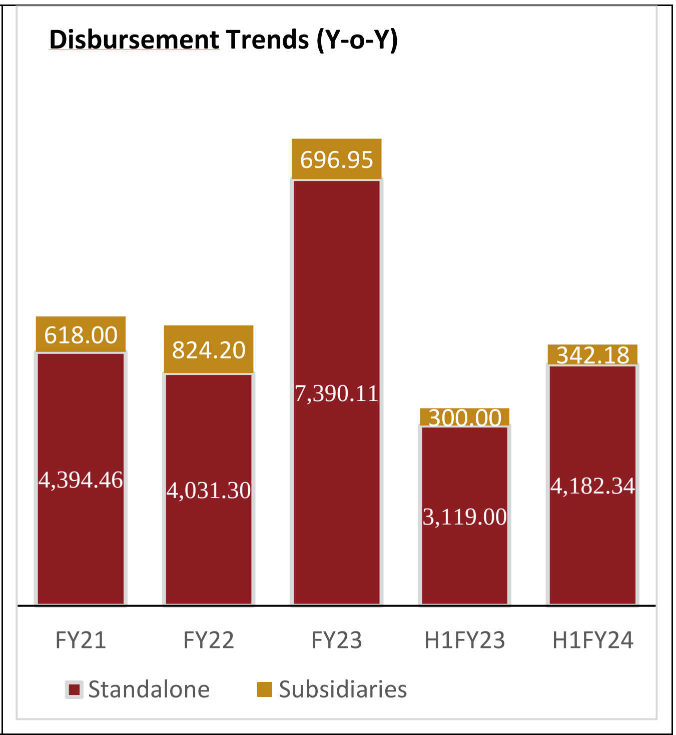
We believe we have demonstrated sound operational performance over the past three fiscals. In Fiscal 2023, our Company stood third in terms of year-on-year growth and posted a strong disbursement growth of 83.33%, on a standalone basis, among the MFI Peer Group, (*Source: CRISIL Report*) with a disbursement of ₹ 4,031.30 crores and ₹ 7,390.11 crores in Fiscal 2022 and Fiscal 2023, respectively. Additionally, it had the third highest return on assets and the third highest return on assets among the MFI Peer Group, (*Source: CRISIL Report*) at 3.52%.

Further, on a consolidated basis, we had an AUM of ₹ 10,099.84 crores, as of September 30, 2023, which was a substantial year-on-year growth of 33.32% as compared to our AUM of ₹ 7,575.36 crores. This increase in AUM was driven by an increase in ticket size and new customers.

Further, in terms of disbursements, we experienced a significant year-on-year growth of 66.55%, for the year ended March 31, 2023, and recorded our highest ever disbursement of ₹ 8,087.06 crores. Additionally, for the six-month period ended September 30, 2023, we recorded a disbursement of ₹ 4,524.52 crores, as compared to ₹ 3,418.07 crores recorded for the six-month period ended September 30, 2022, which was a year-on-year growth of 32.37%. The average monthly disbursement run rate, during the six-month period ended September 30, 2023, was Rs. 754.09 crores.

Certain details regarding our year-on-year trends in AUM and disbursement are set forth below (in ₹ crores):





In addition, we closely monitor liquidity in the market and maintain sufficient liquidity to conservatively manage liquidity risk. As of September 30, 2023, our cash and cash equivalents, other bank balance and investment in government securities amounted to ₹ 1,39,373.99 lakhs, which we believe reflects our sound liquidity position. As a part of our Liquidity Risk Framework, we monitor and implement our liquidity risk management policy, strategies and practices which include, liquidity coverage ratio ("**LCR**"), stress testing, contingency funding plan, maturity profiling, liquidity risk measurement – stock approach, currency risk, interest rate risk and liquidity risk monitoring tools. As a result, our Company maintained an LCR, as of September 30, 2023, of 109.67%, on a standalone basis, which was higher than the RBI's stipulated norm of 60%.

Our Company's CRAR as of September 30, 2023, September 30, 2022, and March 31, 2023, 2022 and 2021 was 25.73%, 24.07%, 26.62%, 27.84% and 25.28%, respectively, on a standalone basis, which is higher than the regulatory requirement. Our Company's Tier I Capital as of September 30, 2023, September 30, 2022, March 31, 2023, 2022 and 2021 was 25.41%, 21.28%, 25.34%, 23.25% and 19.73%, respectively, on a standalone basis.

We have a prudent approach to asset liability management ("**ALM**"), with a strategy of raising long-term borrowings and maintaining a judicious mix of borrowings amongst banks, ECBs and other sources of borrowings which has led to a positive asset-liability mismatch.

We also have robust capitalisation with our book value per share being ₹190.72 per share on a consolidated basis as of September 30, 2023.

Further, our Company has obtained a credit rating of 'ICRA A- (Stable)' for our long-term bank loans and a rating of 'ICRA A1 (Stable)' for its short-term borrowings which emphasizes our Company's financial resilience and enables it to borrow at competitive costs. For further details on the credit ratings obtained by our Company in the three preceding Fiscals, please see- "-***Credit Ratings and Gradings***" on page 236.

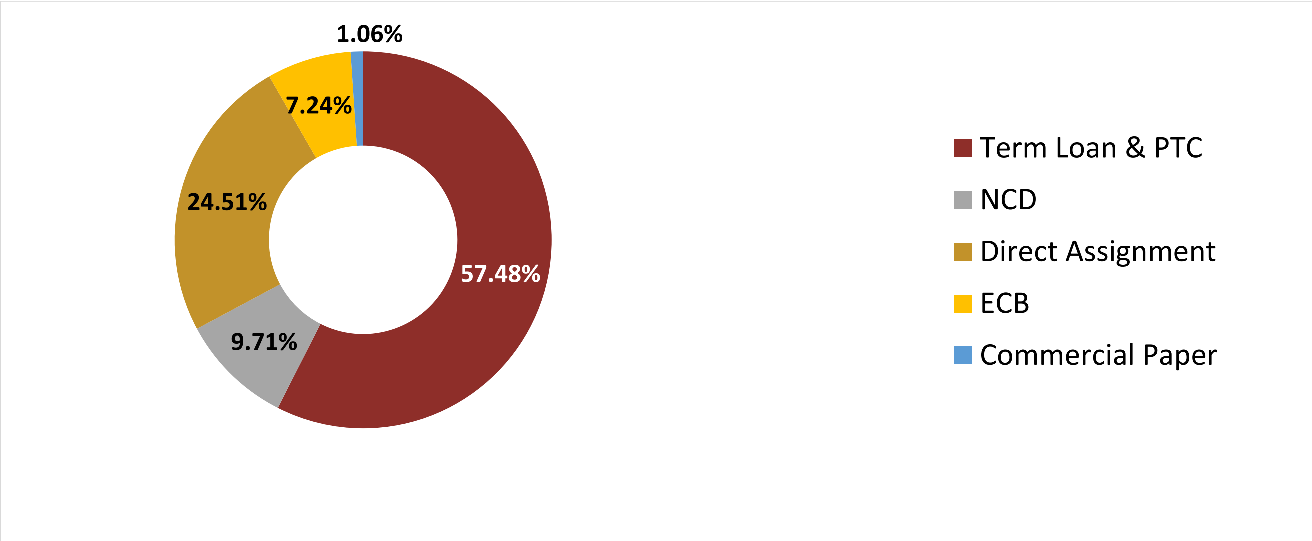
5. *Diverse funding sources with substantial promoter shareholding*

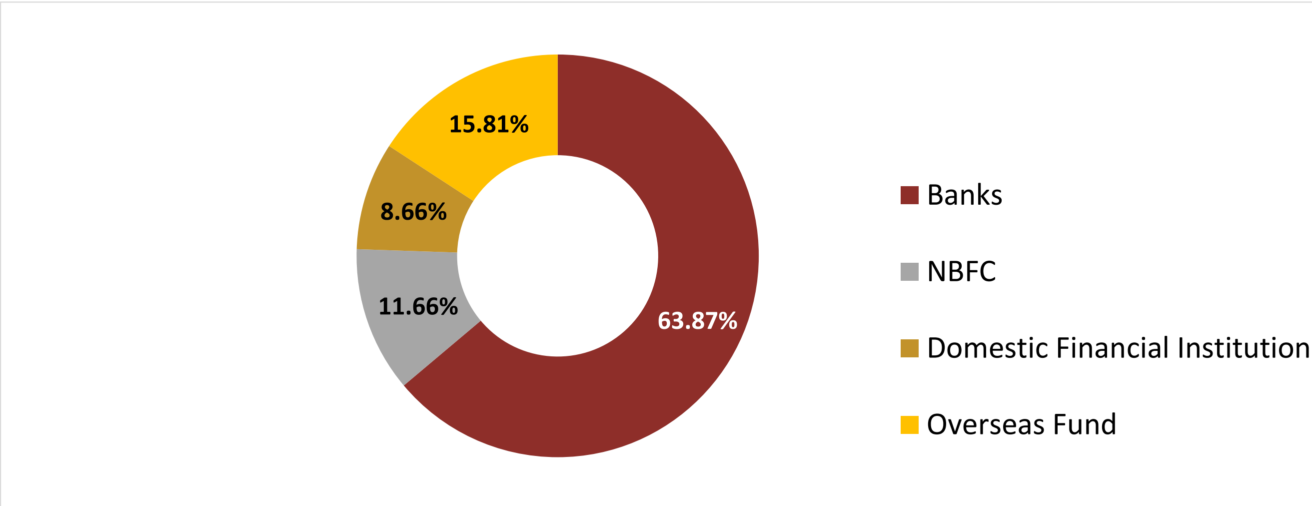
Our business requires substantial capital, and we meet our funding requirements through a diverse set of sources which includes both equity and debt funding. Our debt funding is primarily through loans from banks and financial institutions, non-convertible debentures and ECBs. We also enter into transactions with financial institutions and banks for securitization and assignment of our receivables, from time to time.

We have a large and diversified network of 72 lenders, on a standalone basis, comprising a range of public banks, private banks, NBFCs, domestic financial institutions and overseas funds.

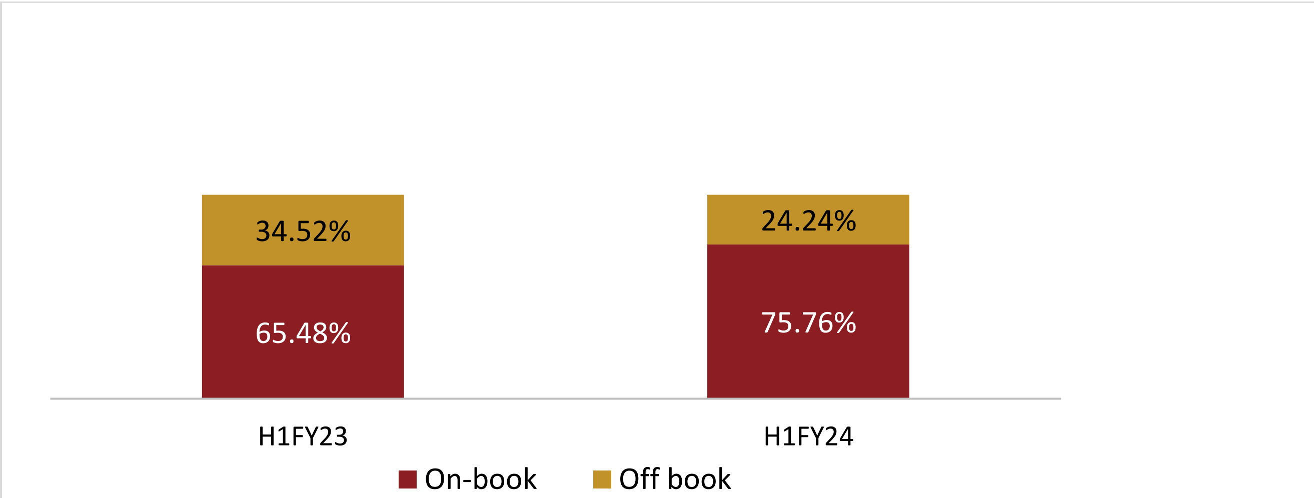
This diversification of our sources of funds has contributed to our overall reduction in the cost of borrowings and has allowed us to strengthen our liquidity position.

The product and lender-wise liability profile as of September 30, 2023, is set forth below:





We have raised about ₹ 20,000.00 crores in the last 3.5 years with over ₹ 1,018.00 crores undrawn sanction as of September 30, 2023. The chart below depicts the funds raised (in crores) during the six-month periods ended September 30, 2022 and September 30, 2023 respectively. We experienced a significant 93.00% year-on-year growth in funds raised during the six-month period ended September 30, 2023, with nine new lenders being added.



Our capital requirements are also met through equity funding from various investors. Our Company has successfully raised ₹ 34,500.00 lakhs since August 2020. Our Promoter and members of our Promoter Group are also committed to the growth of our Company, they hold approximately 39.98% of the paid-up equity share capital of our Company.

6. *Stringent customer selection and risk management framework leading to healthy asset quality*

We follow stringent customer selection and risk management policies, which have resulted in healthy asset quality and lower credit costs. Risk is an integral part of our business, and sound risk management is critical to the success of our organization. As a financial intermediary, we are exposed to risks that are particular to our lending and the environment within which we operate. We have identified and implemented comprehensive policies and procedures to assess, monitor and manage risk such as systematic risk-based branch opening/geography selection framework which enables us to identify potential optimal areas of operation. The risk management process is continuously improved and adapted to the changing risk scenario and the agility of the risk management process is monitored and reviewed for its appropriateness in the changing risk landscape. The process of continuous evaluation of risks includes taking stock of the risk landscape on an event-driven basis.

We have stringent underwriting guidelines which includes real-time credit bureau checks through integration with credit information companies, detailed household assessment and a policy of not disbursing further loans to overdue customers.

We have been using Centralized Shared Services Center (CSS), an outsourced process unit which helps us in verification of loan applications and KYC documents by verifying the authenticity of the customers being disbursed, to be more vigilant in authentic on-boarding of customers. This has helped in filtering adverse customer selection and sanctioning. The broad parameters for selection include:

- Customer's income levels;
- Customer's household's engagement in some form of economic activity which ensures regular and assured income;
- Possession of the required RBI approved KYC documents;
- Willingness to follow the rules and regulations of the Company.

We have real-time review mechanisms which includes daily reviews on collections, supervisory visits and a dedicated team in the field to review, track & monitor the process adherence & compliance to all regulatory guidelines. Our data analytics platform provides the repayment pattern of our customers for further analysis along with grading on a real-time basis of our customers and branch officers. We also have an efficient delinquency management with dedicated teams to address delinquency, rigorous follow-ups and a centralized tele-calling unit.

Our effective risk management framework is reflected in our healthy asset quality. Our Company's Gross NPA Ratio was 8.40%, 8.01%, 3.28%, 3.92% and 2.38% as of March 31, 2021, March 31, 2022, March 31, 2023, September 30, 2022, September 30, 2023, respectively on a standalone basis. Our Company has also made adequate provisions of ₹ 12,420.35 lakhs, amounting to 1.89% of its On-book Portfolio on a standalone basis which is above the regulatory requirement of ₹ 10,800.00 lakhs prescribed by the Reserve Bank of India. Set forth below are certain additional details regarding our

Company's asset quality in the corresponding periods on a standalone basis:

Particulars	As at March 31,			As at September 30	
	2021	2022	2023	2022	2023
	(₹ in lakhs except %)				
Tier I Capital	1,20,713.88	1,20,476.73	1,22,559.70	1,02,016.66	1,48,056.96
Tier II Capital	33,984.75	23,787.96	6,233.76	13,407.14	1,874.00
Total Capital	1,54,698.63	1,44,264.69	1,28,793.46	1,15,423.80	1,49,930.97
Total Risk Weighted Assets	6,11,907.18	5,18,283.11	4,83,749.80	4,79,637.76	5,82,775.81
Capital Adequacy Ratio / Capital to Risk Weighted Assets Ratio					
CRAR - Tier I capital (%)	19.73%	23.25%	25.34%	21.27%	25.41%
CRAR - Tier II capital (%)	5.55%	4.59%	1.28%	2.79%	0.32%
CRAR (%)	25.28%	27.84%	26.62%	24.06%	25.73%

Through the persistent effort of our field agents and our dedicated collections team, our Company was able to collect ₹ 2800.00 lakhs against write-offs as of September 30, 2023. Our Company's gross cumulative collection efficiency stood at 99.08% for the period ended September 30, 2023, on a standalone basis. Further, our Company received an initial disbursement amounting to ₹1077.00 lakhs under Category III of the Assam Micro Finance Incentive and Relief Scheme 2021 (AMFIRS). Launched in August 2021, this initiative, in collaboration with the Government of Assam, aims to provide financial support to microfinance borrowers in Assam. Category III of AMFIRS targets borrowers whose accounts have been classified as Non-Performing Assets (NPAs). Specifically, it focuses on NPA borrowers with an outstanding principal amount of up to ₹25,000 as of March 31, 2021, who were not covered by Categories I and II of the scheme.

Strategies

1. Deepen, expand and continue to profitably grow our microfinance business through geographical diversification and increased penetration in the states in which we operate

The overall microfinance industry is expected to see strong growth on back of government's continued focus on strengthening the rural financial ecosystem, strong credit demand, and higher ticket sized loans disbursed by microfinance lenders (*Source: CRISIL Report*). The MFI industry is expected to record a CAGR of 16-20% CAGR between fiscals 2023 and 2026. Within the sector, NBFC-MFIs have been growing aggressively at a CAGR of 23% between fiscals 2013 and 2023 and are projected to grow at a CAGR of 23-25% between fiscals 2023 and 2026 (*Source: CRISIL Report*).

The Reserve Bank of India (Regulatory Framework for Microfinance Loans) Directions, 2022 has also provided certain regulatory updates such as higher household income eligibility for microfinance loans which places us in a good position to leverage our existing expansive operations and scale up further in a sustainable manner. Further, we believe that there is a significant potential for growth in our key states of operation. For instance, in the three-month period ended June 30, 2023, Bihar reported fastest disbursement growth of 17.00%, followed by Uttar Pradesh at 14.00% (*Source: CRISIL Report*). Further, our primary strategy is to continue to leverage our experience and presence in these underpenetrated markets, where there is substantial need, demand and opportunity for microfinance. We, therefore, intend to expand our reach and operations in the states where we are currently present, both by increasing business transacted through existing branches, and by establishing new branches.

We also seek to strategically manage our expansion to broad base our operations in order to mitigate a key risk in the microfinance business-regional concentration. We have, in the last few years, pursuant to various strategic measures, managed to reduce our concentration in regions which were traditionally our key areas of operations by further expansion of our operations in other states in which we have existing operations and by entering into new states where we did not previously have any business. Our operations in Uttar Pradesh contributed to 40.92% of our AUM as on March 31, 2016, which reduced to 26.56% as on September 30, 2023. Our focus is also on ensuring diversification at the district level to ensure enhanced customer reach and operational leverage. As of September 30, 2023, 96.40% of our districts contribute to less than 1.00% of our total AUM.

In addition to increasing the size and scale of our operations in states where we are already present, we intend to also focus on expanding our business operations to new geographies. We have, in fiscal 2016 to fiscal 2023, started operations in nine new states and union territories- Tamil Nadu, Karnataka, Tripura, Arunachal Pradesh, Meghalaya, Sikkim, Assam, Pondicherry and Orissa. We seek to continue to foray into new markets, by leveraging our experience as well as hiring personnel who understand the characteristics of local markets in order to address specific needs of the clients in such new markets.

Our primary objective is to have diversified presence across geographies in India with significant growth opportunities for microfinance, which we believe will allow us to maintain stable and sustainable growth of our business and mitigate political and state-specific risks. In addition, our focused expansion in regions with limited availability of financial services will enhance financial inclusion and have a positive social impact, thereby creating goodwill for our Company, which we believe will further our growth.

2. Improve the quality of our asset portfolio

We are focused on maintaining a high level of asset quality. Our risk management processes, coupled with our ability to evaluate and appropriately price risk, have helped us reduce our exposure to NPAs. Our Company's Gross NPA Ratio was 8.40%, 8.01%, 3.28%, 3.92% and 2.38% as of March 31, 2021, March 31, 2022, March 31, 2023, September 30, 2022, September 30, 2023, respectively on a standalone basis.

We intend to continue to focus on reducing our impaired assets with the objective of reducing our NPA levels, while improving the quality of our assets. We believe that effective risk management is essential to our growth, strategic planning and long-term sustainable development.

3. ***Diversify our product offerings and leverage distribution reach to cross-sell new products***

We continue to diversify our geographic concentration as well as product portfolio and introduce new products, aimed at addressing specific financial needs of our clients. We believe that our diverse product portfolio provides us with cross selling opportunities by enhancing the productivity and income generating potential of our clients, allowing us to leverage our rural outreach and capitalize on our Company's existing network and customer base and grow our business with no incremental cost of customer acquisition enabling the income to directly add up to the bottom line. Set forth are the details of our entity-wise and product-wise AUM for each of the corresponding periods:

Particulars	**As at March 31,**			**As at September 30**	
	2021	**2022**	**2023**	**2022**	**2023**
	(in ₹ crores)				
Entity-wise AUM					
SCNL	7,274.60	6,409.34	7,928.53	6,417.38	8,893.96
SHFL	225.54	317.95	505.28	362.40	567.42
SFL/erstwhile TFSL	878.43	889.95	681.6	795.57	638.45
Product-wise AUM					
MFI Lending	7,712.06	6,780.48	7,992.19	6,609.74	8,916.22
MSME	440.97	518.80	617.94	603.22	616.20
Housing Finance	225.54	317.95	505.28	362.40	567.42

In fiscal 2016, with the benefit of our branch and distribution reach in various rural and semi-urban areas and pursuant to market research conducted by us to identify specific financing needs of our clients, we piloted product loans for financing purchase of solar lamps and loans for financing for water connection and sanitation facilities in certain states. We also added loans to MSME to our product portfolio in fiscal 2017. Typically, the ticket size of such loans offered to retail MSMEs majorly range from ₹ 100,000 to ₹ 1,500,000 and are for a tenure ranging from 24 to 60 months, with collections occurring on a monthly basis. We offer loans to MSMEs from 29 branches located in 10 states, as on September 30, 2023. Further, in April 2017 our Company incorporated a wholly owned housing finance subsidiary (Satin Housing Finance Limited or "SHFL") for providing affordable housing loans to its customers.

We intend to leverage our operational network and large customer base across India to offer our housing finance loans to existing customers. The provision of housing loans through a registered housing finance entity provides certain competitive advantages, including increased leverage due to lower capital adequacy norms applicable to such entity, as well as lower risk weightage applicable to housing finance loans (*Source: CRISIL Report*). It is also our endeavour to leverage our outreach in microfinance to offer affordable retail MSME loans to clients who have completed more than two loan cycles with us and have bigger credit requirements through our subsidiary, Satin Finserv Limited.

4. Continue to diversify our source of funds and widen our lender base to scale our borrowing requirements while lowering costs

We have been able to access debt financing and reduce our Average Cost of Borrowings over the years due to diversification of our borrowings and enhancement of the scale of our business. Our Average Cost of Borrowings, as a percentage of our total borrowings, in Fiscal 2021, 2022, 2023 and the six months ended September 30, 2022, and September 30, 2023, was 10.19%, 10.87%, 10.34%, 5.44% and 5.48% respectively.

We intend to continue to diversify our funding sources, identify new sources and pools of capital with the aim of further optimizing our borrowing costs and expanding our Net Interest Margin. Further, we intend to expand and diversify our lender base. We are focused on our asset and liability management to ensure that we continue to have a positive asset-liability position. As of September 30, 2023, our mix of source of funds included 63.87% from Banks, 15.81% from overseas funds, 8.65% from domestic financial institutions and 11.66% from NBFCs.

While continuing to pursue borrowings from these sources, we will also explore issuance of different categories of bonds, enter into co-lending opportunities, issue commercial papers and undertake other funding opportunities in order to broaden the depth of our offerings. We also intend to leverage on our loan portfolio in order to enter into direct assignment transactions with banks.

We intend to continue to evaluate opportunities to securitize or assign loans to financial institutions, which we expect would enable us to optimize our cost of funds, liquidity requirements and capital management. We believe with increased net worth, including from internal accruals, we would be in a position to widen our borrowing mix, lender base and raise debt at increasingly competitive terms going forward.

5. ***Focus on optimizing operating costs and improving operational efficiencies through digital innovation and improved employee productivity***

Optimizing our operating expenses is critical in determining our ability to offer loan products at reasonable rates to our customers and our profitability. Our penetration in India's rural markets through a comprehensive branch-based expansion strategy has helped us to achieve low operating expense ratios, contributing to economies of scale. Further, given our high customer retention rates, we expect to derive scale and cost benefits as there is no incremental sourcing cost for existing customers, and they are eligible to borrow higher loan amounts from us since they have progressed to higher loan cycles, and they have been our customers for a number of years. Set forth below are certain financial parameters of our Company, on a standalone basis, in relation to our operating expenses, for each of the corresponding periods:

Particulars	**As at March 31,**			**As at September 30**	
	2021	**2022**	**2023**	**2022**	**2023**
	(in %)				
Gross Yield[1]	17.57	18.44	19.66	9.92	10.81
Financial Cost Ratio[2]	8.52	8.86	8.04	4.45	4.40
Net Interest Margin[3]	9.10	9.58	11.62	5.47	6.40
Loan Loss Ratio[4]	3.96	2.51	5.53	5.22	0.48
RoA[5]	(0.18)	0.53	3.52	1.56	2.26
RoE[6]	(0.92)	2.60	15.02	6.85	9.25
Cost to Income Ratio[7]	57.74	64.76	53.78#	64.35#	45.56

Notes:

 # Adjusted Cost to Income Ratio excluding one-time income of ₹ 35,215.77 lakhs for Fiscal 2023 and ₹ 35,101.76 lakhs for six-month period ended September 30, 2022.

(1) Gross Yield represents the ratio of total Income in the relevant period to the Average AUM (average of opening and closing AUM of the relevant period); Gross Yield (including one time income of ₹ 35,215.77 lakhs on account of revaluation gain on investment in subsidiaries) for FY23 is 24.57%

(2) Financial Cost Ratio represents the ratio of Financial Cost in the relevant period to the Average AUM (average of opening and closing AUM of the relevant period)

(3) Net Interest Margin represents the difference between the Gross Yield and the Financial Cost Ratio

(4)Loan Loss Ratio represents the ratio of credit cost (including provision made under FLDG arrangement) to the Average AUM (average of opening and closing AUM of the relevant period)

(5) RoA represents ratio of PAT to the Average Total Assets (average of opening and closing Total Assets as per balance sheet of the relevant period)

(6) RoE represents ratio of PAT to the average Net worth (average of opening and closing Net worth as per balance sheet of the relevant period

(7) Cost to Income Ratio represents Operating Expense divided by Net Interest Income

We continue to invest in our technology platform and technology-enabled operating procedures to increase operational and management efficiencies and ensure customer credit quality. Towards this end, we have undertaken various enhanced technological initiatives such as digitization of customer KYC and consent, visibility of customer's credit history, biometric authentication, SMS based customer notifications, real-time integration with credit agencies, event-based mapping of geographical locations, centralized repository of information and integration of employee management and HR system. Additionally, in order to minimize operational risks, we are moving towards cashless collections.

We are also focused on increasing employee productivity and efficiencies.

We address employees' growth through training programmes online and at our branches. We have formulated our training brochures and other material internally and update these periodically based on the growth and requirements of our business. We also offer several schemes for personnel value enhancement and skill development through higher education courses, degrees and diplomas, which are offered to employees at various levels based on their academic and professional background. Some training courses are mandatory and need to be completed in order to be allocated certain responsibilities. Employees are also encouraged to undertake refresher courses. We believe these will allow for better control over the key resources of our Company as we expand our operations.

Our Business Operations

We started our business operations in the year 1990 by providing low-ticket finance. Our Company registered as an NBFC with the RBI in 1998, commenced JLG operations in May 2008 and was converted into an NBFC-MFI in November 2013. After more than three decades of experience, we have emerged as a diversified financial services group catering to rural India through microfinance, housing and MSME. We intend to be a one stop financial service provider for our customers.

We provide collateral free, micro-credit facilities to economically active women in both rural and semi-urban areas, who otherwise have limited access to mainstream financial credit products, and this forms the premise of our JLG model.

While we have traditionally provided microfinance loans under the JLG model, we also offer individual MSME loans, through our subsidiary, Satin Finserv Limited, for customers who have completed two or more loan cycles with us and fulfil certain other eligibility criteria linked primarily to their credit history with us, income, and business position, are more entrepreneurial, and have graduated from the JLG model.

Further, we also provide affordable home loans and loans to MSMEs. In addition, we act as a business correspondent for a national bank. As a part of our business correspondent services, we are responsible for identifying potential customers, mobilising them into JLGs, collecting and verifying all necessary documentation from the customers in accordance with the standards prescribed by the bank, disbursement of loan amounts to the customers, recovering the amount disbursed on behalf of the bank and ensuring appropriate use of the loans.

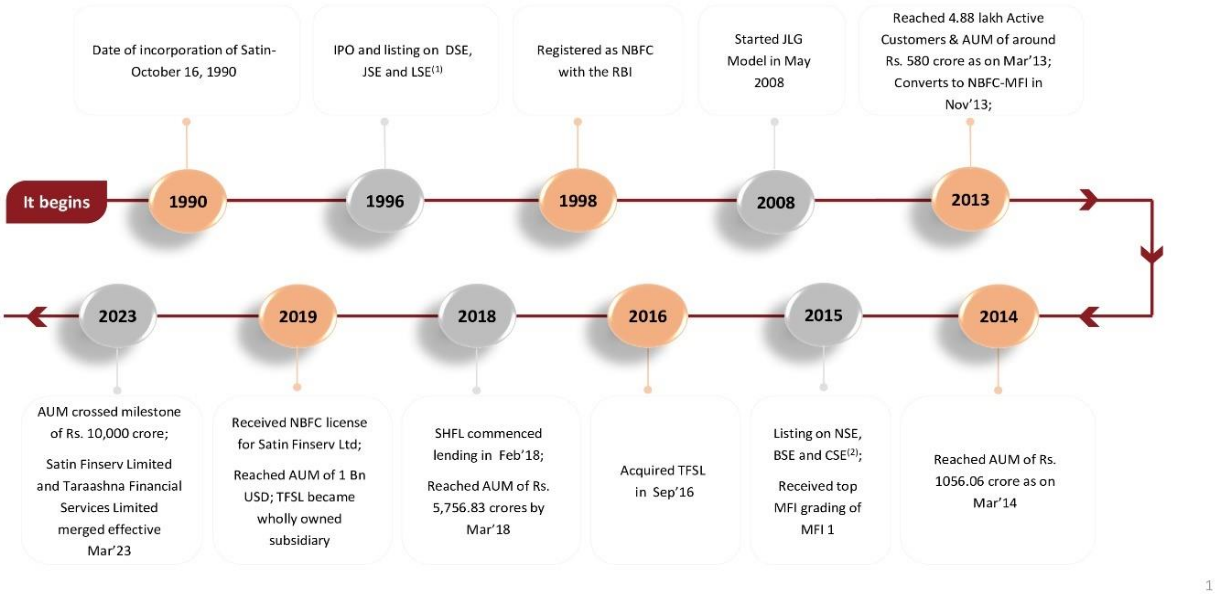
Business Model

Our business is primarily based on the JLG model. We believe that the JLG model is advantageous to both us and our customers. It enables purpose driven lending aimed at income generation and enhanced value creation. Through this model, our customers, who typically do not have collateral to take up loans, are able to gain access to credit. Delivering financial services through groups also benefits us, as it allows us to have better operational control and efficiency, lower transaction costs and increase the number of customers.

Further, we believe that the JLG Model, which is based on social collaterals, ensures credit discipline through mutual support within the group. The JLG Model encourages individual borrowers to be prudent in conducting their financial affairs and be prompt in repaying their loans. Failure by an individual borrower to make timely loan repayments may affect the ability of other members in the group to borrow from us in the future; therefore, the group typically uses peer support to encourage the delinquent borrower to make timely payments, or will often make a repayment on behalf of the defaulting borrower, effectively providing an informal joint guarantee on the borrower's loan.

Major Events and Milestones

The diagram below sets forth some of the major events in the history of our Company:



Our Branch Network

As on September 30, 2023, we had presence in 24 states (Arunachal Pradesh, Assam, Himachal Pradesh, Jammu Kashmir, Karnataka, Maharashtra, Madhya Pradesh, Meghalaya, Tamil Nadu, Odisha, Punjab, Chhattisgarh, Delhi, Bihar, Jharkhand, Haryana, Gujarat, Rajasthan, Sikkim, Tripura, Uttar Pradesh, Uttarakhand and West Bengal) and one union territory (Pondicherry) in India through 1,335 branches. The following table sets forth the number of our branches in each state/ union territory as of September 30, 2023:

State/ Union Territory	Number of branches
Arunachal Pradesh	1
Assam	57
Bihar	178
Chhattisgarh	32
Delhi	7
Gujarat	81
Haryana	44
Himachal Pradesh	1
Jammu Kashmir	1
Jharkhand	42
Karnataka	40
Madhya Pradesh	110
Maharashtra	56
Meghalaya	1
Odisha	75
Pondicherry	1
Punjab	88
Rajasthan	105
Sikkim	1
Tamil Nadu	73
Tripura	14
Uttar Pradesh	222
Uttarakhand	14
West Bengal	91
Total	**1,335**

Our Products

Our financing product portfolio can be broadly classified into MFI and non-MFI portfolio. Our MFI portfolio comprises of (i) Income generation loans; (ii) Long-term loans; (ii) loans for development of water connection and sanitation facilities (WASH Loans), and (iv) product loans. Our non-MFI portfolio includes loans to MSMEs and housing finance loans. In addition to this, we offer business correspondent services. The chart below depicts the significant features of the main product portfolios of our Company and its subsidiaries, SHFL and SCNL.

	SCNL	Satin Housing Finance Limited [(2)]	Satin Finserv Limited [(3)]	
Product features as on Sep'23	**MFI[(1)]**	**Housing Finance[(5)]**	**Business Correspondent Services**	**MSME**
Average Ticket Size for the six-month period ended September 30, 2023	₹ 45,000.00 (JLG)	₹ 11,71,000.00	₹ 39,600.00	₹ 1,53,000.00 (Retail)
Tenure	6 - 30 months	24 - 240 months	12 - 24 months	12 - 120 months
Frequency of Collection	Bi-Weekly	Monthly	Bi-Weekly	Monthly/Quarterly
No. of States/UTs	24	4	6	10
No. of Branches	1,115	37	154	29
AUM (₹ crore)	8,545.21 [(4)]	567.42	371.01	267.44
No. of loan accounts (in lakhs)	30.89	0.06	2.25	0.15

Notes

(1) Includes MFI Lending (loans under JLG model, Business Correspondent services and water & sanitation) and Product Financing (Loans for solar lamps, cycles etc.)
(2) Satin Housing Finance Ltd was incorporated on Apr 17, 2017
(3) SFL was incorporated on Aug 10, 2018 and TFSL acquisition was effective Sep 1, 2016. W.e.f. Mar 1, 2023 TFSL has merged into SFL
(4) SCNL also has MSME portfolio of ₹ 34,875.74 lakhs other than MFI portfolio
(5) The average ticket size is ₹ 18,60,000 for affordable housing and ₹ 3,19,000 for micro-housing.

Set forth below are certain additional details in relation to our key individual products under the MFI and non-MFI portfolio:

1. MFI Portfolio

1. Income Generation Loans (IGL)

We provide collateral-free IGL loans (Prarambh) to economically active women in both rural and semi-urban areas for several purposes related to agricultural, transportation and trading related business operations. The eligibility criteria include (a) annual household* income of up to ₹ 3 Lakhs (b) total monthly loan repayment obligation not being more than 50% of the monthly household income which shall include all outstanding loans (collateral-free and collateralized loan) of the household (including the loans to be disbursed) and (c) OTP validation. Under this offering, a sum of money between ₹ 10,000.00 to ₹ 45,000.00 is given as loan for enhancing the income generating potential and helping customers improve their financial status. IGL loans have a tenure of 12-24 months.
** Household shall mean an individual family unit, i.e. husband, wife and their unmarried children*

2. Long-term Loans (LTL)

Long-term loans (Vriddhi) are provided to existing customers after the successful completion of the IGL loan cycle, to enable long-term wealth generation. Under this offering, a sum of money between ₹ 31,000.00 and ₹ 75,000.00 is offered to customers by our Company on a standalone basis. LTL loans have a tenure of 24-30 months.

3. Top Up Loan (Madhya Vriddhi Loan)

This offering supports customers in enhancing their financial capabilities by offering top-up loans. These loans have a ticket size ranging from ₹ 10,000.00 to ₹ 15,000.00, on a standalone basis, and a tenure of 24-30 months. By being able to access more cash through top-up loans, customers can amplify their income generation activities and further augment their financial prospects.

4. Product loans

We currently provide customized loans to assist local communities in several parts of the country to gain access to clean energy, better transportation as well as consumer durables such as televisions, refrigerators, mobile phones and washing machines. These are small-ticket cross-selling loans, offered on the main business loan availed by the customers, with a ticket size ranging from ₹ 2,000.00 to ₹ 32,000.00 on a standalone basis. The tenure of product loans ranges from 6-18 months.

5. Water and Sanitation Loan (WASH) loans

WASH loans enable customers to avail affordable credit so as to secure the basic necessities of life, like sanitation and hygiene. These loans facilitate multiple purposes like setting up like setting up water pumps, bore wells and toilet construction/improvement. This is a small-ticket loan provided to customers, with the ticket size ranging from ₹ 10,000.00 to ₹ 35,000.00, on a standalone basis, without any collateral and having a tenure of 12-24 months.

2. Non-MFI portfolio

6. Housing Finance

We provide affordable housing finance loans to salaried individuals, self-employed professionals, individuals belonging to the middle and low-income groups who reside in the outskirts of tier-II and below cities to own, construct, purchase, extend, repair, or upgrade houses. These loans are provided for a tenure ranging from 24 to 240 months.

7. MSME Loans

We provide loans to micro, small and medium enterprises (MSMEs) with an aim to assist them by fulfilling their working capital requirements and facilitating their business expansions. Under this scheme, a sum of money between ₹ 1,00,000.00 and ₹ 15,00,000.00 is given for a tenure ranging from 12 to 120 months.

Risk Management

We have developed a comprehensive risk framework supported by well-established policies and procedures and we believe our risk architecture supports our vision and mission. The Board of Directors of our Company is primarily responsible for approving our Company's risk appetite, risk tolerance and related strategies and policies. Its key responsibilities include approving the business and risk governing policies and frameworks as required and ensuring the establishment of a robust risk management culture. We have a Risk Management Committee ("**RMC**") which assists the Board of Directors of our Company with the oversight of strategies, policies and procedures related to the management of all risk types. The RMC is assisted by the Executive Risk Management Committee ("**ERMC**") and Asset Liability Management Committee ("**ALCO**"). The Chief Risk Officer along with the risk management department is responsible for the implementation of the risk management governance policies which entails establishing systems and procedures related to identification, assessment, measurement, control, monitoring and reporting of credit, operational and marketing risks, and ensuring that necessary resources are available to perform risk management related activities.

Human Resources

As of September 30, 2023, we had 12,727 employees (with year-on-year increase of 19.75%). We generally use referrals from our employees, advertisement through various media platforms, hiring through recruitment agencies or direct recruitment from educational institutions to fill up our job openings. We provide training to our employees both as a commitment to their career development and to help ensure quality service to our clients. The newly joined employees undergo an induction and orientation training for a period of 6 days wherein they are briefed on the microfinance model and loan purpose, the relevant RBI policies and customer handling. Post this, all such employees have to undergo a training program for 15 days where trainers and branch managers track their working methods and performance. All other employees undergo compulsory and other trainings as considered necessary by our management.

We try our best to ensure that our values are genuinely and consistently promulgated in our Company. We have also provided a range of incentives and benefits such as Satin Sahyog- in which certain amount of pension is provided to the family members of employees who lost their lives on duty, staff loans, mobile bill reimbursement, etc.

The following table sets a break-up of our Company's employees by function as of the dates indicated on a standalone basis.

Particulars	As of September 30, 2023
Loan officers	8287
Field supervisors	1660
Field monitoring	187
Centralized operations	35
Finance	19
IT	111
Human resources	68
Internal audit	85
Others	275
Total	**10,727**

Sparsh - Customer Grievance Redressal Mechanism

Sparsh, our customer grievance redressal mechanism was established to address issues which arise out of situations when our customers are either unhappy with the service provided to them or unsatisfied because we fail to meet their expectations, including grievances on overdue balances. Through Sparsh, client complaints are swiftly directed to the respective department heads, ensuring that they are promptly attended to. Our team of dedicated executives provides immediate support and works diligently to resolve the complaint within the specified time frame. If a complaint requires further attention, it is escalated to the Sparsh Single Point of Contact (SPOC) at our head office.

Environmental, Social and Governance initiatives

We have ESG focused operations, as demonstrated through the following:

Environment: We offer customized loans to facilitate customers' access to clean energy loans like solar and bicycle loans. By offering solar loans, we enable our clients to access home lighting systems that are powered by solar energy and participate in profitable activities. Our green loan partner, D. Light, recognized us for our contributions to society in commemoration of India's 50 million lives being transformed. We are also constructively working towards providing safe water and sanitation in around 280 districts and more than 26,000 villages in 19 states including Uttar Pradesh, Chhattisgarh and Rajasthan. In the financial year ended March 31, 2023, we disbursed a total of 91,830 WASH loans.

Our corporate headquarter is a green building with numerous energy-saving features. We have installed solar panels on the roof to reduce electricity costs and our wastewater is processed and utilized for sanitation in a Sewage Treatment Plant (STP).

Further, with the object of providing clean energy solutions, we partnered with MicroEnergy Credits as part of their global carbon programme in 2020 pursuant to which we have reduced 44,528.00 tonnes of carbon emissions and provided 8,38,808 households with solar products as of September 30, 2023.

Social: With a strong commitment to advancing women's empowerment, we offer targeted, need-based and bespoke financial service to female entrepreneurs as part of our effort to drive financial inclusion. Almost all of our customers our women, 75.99% of whom are based in rural India and 70.92% of our customers are from the BPL category.

Additionally, recognizing the need to educate our clients about the significance of responsible financial planning, saving, and investing, we have conducted 31 workshops in the states –Rajasthan, Jharkhand and Chhattisgarh, in collaboration with RBI and Sa-Dhan, aiming to educate our customers about the significance of responsible financial planning, saving, and investing. Further, in collaboration with our partner DocOnline, we have also conducted 24 health camps wherein our customers were given basic health checkups and consultation with the senior doctors through video conferencing. We have successfully funded scholarships for less privileged students at GNA University of Punjab and the construction of a primary school in the village of Harswara, Uttar Pradesh in the financial year ended March 31, 2023.

We also conduct continuous training and leadership programs for employees. Our Company has recently become a signatory of the UN Women Empowerment Principles and collaborated with Value for Women to celebrate women in workplace and further strengthen its Gender Action Plan.

Governance: Our Company's Board comprises a suitable mix of Independent and Non-Independent Directors, ensuring the preservation of its independence and distinguishing the Board's governance duties from the Company's management responsibilities. We had over seven board meetings in the last fiscal with the average attendance rate at the Board and Board committee meetings being 90.91% and 94.73% respectively. Our Independent Directors chair our statutory Board-level committees such as our Audit Committee, Nomination and Remuneration Committee, Risk Management Committee and Stakeholders' Relationship Committee. We ensure compliance with all the prescribed regulations on corporate governance and have implemented and adopted several policies such as Board diversity & inclusion, whistle-blower, anti-bribery, anticorruption, anti-money laundering, IT security, taxation. We have a stringent grievance redressal mechanism and over 99% of our customer complaints are resolved on a real-time basis.

Competition

We face significant competition from unorganized, small participants in the market in all sectors in which we operate in addition to other small finance banks, scheduled commercial banks, NBFC-MFIs and NBFCs. In addition, many of our potential customers in the lower income segments do not have access to any form of organized institutional lending, and rely on loans from informal sources, especially money lenders, landlords, local shopkeepers, and traders at much higher interest rates. Therefore, we also face significant competition from these unorganized and unregulated market participants who are prevalent in the semi-urban and rural areas, which are our key areas of focus and whose target customer segment is the same as ours.

Information Technology

We drive growth by leveraging on technology enabled processes, supported by data analytics and innovation. Our IT infrastructure, therefore, plays a pivotal role in managing various stages of a loan transaction. For our business operations, we have focused on implementing a centralized and consolidated in-house loan management system to enable a smooth and swift flow of information and data across the system. The loan management system enables automation and digitization at different stages of the loan process.

Customer Onboarding and Credit Assessment

- Facilitates bank account verification and credit bureau checks of customers on a real-time basis
- We are able to maintain a digital database of the customers and are able to capture relevant household information like house profile, assets, income, expenses.
- It reduces the incidences of fraud through customer authentication by iris and fingerprint and Aadhaar e-signatures.
- Through the loan management system, all paper documentation relating to the loan process, such as customer KYC, loan agreements and loan cards, have been digitized.
- The application also incorporates geo-fencing technology, allowing us to tighten our field level monitoring mechanisms and ensure better control and traceability of our workforce.

Loan disbursement process

- We have system-based controls due to compulsory group trainings ("**CGT**") and the Group recognition Tests ("**GRT**") done prior to disbursement. Further, we are able to geotag the borrower post which any account mismatch from inbuilt test mechanism (such as different account holder names) leads to automatic rejection.

Borrower Retention

- The application maintains a database of borrowers and their payment history which helps us to identify borrowers who have better credit standing and retain them in subsequent loan cycles.

Loan collection

- Automated system generated SMS notifications are provided to borrowers prior to and after collection
- The system offers multiple cashless collection modes, including NEFT, IMPS, Debit Card, QR Code based payment and UPI 2.0. Our official website and customer service application also features an integrated payment getaway. These options enable hassle-free and secure transactions for customers

The loan management system has provided us with significant process controls, increased operational efficiency and information accuracy. As a result of our Loan Management System, we have achieved 100% cashless disbursement, reduced the customer acquisition and disbursement cycle to same day disbursement and 92.38% of our branches have become paperless through the electronic verification of our customers' credentials . Further, for the six-month period ended September 30, 2023, we have collected 29.47% of our repayments (including cash collected and dropped by our field employee at the retail outlets of our Company's service and technical partners) through cashless mode.

We have also enhanced the productivity of our internal operations through our digital infrastructure. Our core accounting and financial system enables real-time balancing of our financial books on a trial basis. Our business dashboards and reporting systems ensures the daily availability of all business and statutory KPIs and other operational information which enables us to track our 1,335 branches on a real-time basis.

The implementation of cloud computing has also brought numerous benefits and opportunities for growth. The pay-as-you-go model ensures cost efficiency, allowing us to optimize our IT expenses (such as expenses for setting up data centers and server) and allocate more funds to our mission of financial inclusion. It also provides stringent security measures, ensuring the protection of sensitive data, and offers high reliability and resilience through our cloud provider's global network of data centers.

We remain committed to adopting cutting-edge technological solutions to further our growth, enhance operational efficiency, and provide superior benefits to our customers.

Credit Ratings and Gradings

Set forth below are details of our credit ratings and gradings obtained:

Instrument	**Rating**		
	As of March 31		
	2021	**2022**	**2023**
Non Convertible Debentures	CARE A-; Stable, [ICRA]A- (Stable), IND A- Positive Outlook	CARE A-; Negative, [ICRA]A- (Negative), BWR A- / Negative	CARE BBB+; Stable, ICRA A- (Negative)
Commercial paper	CARE A1,[ICRA] A1	CARE A1, [ICRA] A1	ICRA A1
Subordinate debt	[ICRA]A- (Stable)	[ICRA]A- (Negative)	ICRA A- (Negative), CARE BBB+; Stable
Long-term Fund-based Term Loan Facilities Program	-	[ICRA]A(CE) (Stable)	ICRA A (CE); Stable

For further information, see "***Risk Factors – Any downgrade in our Company's credit ratings could increase our borrowing costs, affect our ability to obtain financing, and adversely affect our business, results of operations, cash flows and financial condition***." on page 102.

Properties

Our Registered Office and Corporate Office are located at 5th Floor, Kundan Bhawan, Azadpur Commercial Complex, Azadpur, Delhi-110 033 and Plot No. 492, Udyog Vihar, Phase – III, Gurugram, Haryana – 122016, India, respectively. Our Corporate Office is owned by our Company. However, our Registered Office is owned by Satin Intellicomm Limited, an erstwhile company that has merged with our Company. While the Registered Office has been acquired by our Company pursuant to the amalgamation, the transfer formalities for changing the ownership are still in progress and the building is not currently held in the name of our Company. For further details, see "***Risk Factors- We do not currently hold valid title in our Registered Office. If we are unable to identify or correct defects or irregularities in title to the land which we own, our business and results of operations could be adversely affected***" on page 105 of this Preliminary Placement Document.

In addition, as on September 30, 2023, 1,335 branches operated by us are held on a leasehold basis. For further information, see "***Risk Factors—All of our branches are located on leased premises. The termination of any of these leases or our inability to exercise our rights under the lease agreement make cause disruption in our operations***" on page 104 of this Preliminary Placement Document.

Intellectual Property

As on date of this Preliminary Placement Document, we hold six registered trademarks and currently three trademark applications made by us have been opposed by other parties. Additionally, our ERP system is registered as a copyright and we have filed a patent for the system onboarding module, which is the part of our Loan Management System.

Insurance

We maintain insurance policies that we believe are customary for companies operating in our industry. Our principal types of coverage include insurance for burglary, group life insurance, IT assets policy and directors' and officers' liability insurance.

However, our insurance policies may not be sufficient to cover our economic loss. For details, see "***Risk Factors – Our insurance coverage may not be sufficient or may not adequately protect us against all material hazards, which may adversely affect our business, results of operations, cash flows and financial condition***" on page 101.

Certifications and Awards

We have always maintained a focus on integrating social values in the design and delivery at all stages of products and services. The following table shows the numerous awards and certifications in recognition of our socially- focused approach in conducting our business:

Award / Certification	Organization which gave the award / certification	Year awarded	Details of the award / certification
Best Innovative Financial Accessibility Model Award for WASH	Indian Sanitation Coalition (ISC) and Federation of Indian Chambers of Commerce and Industry (FICCI)	2023	Awarded at the ISC-FICCI Sanitation Awards
SKOCH Award	92nd SKOCH Summit	2023	Silver Category for Loan Management System
India's Best Companies to Work for 2023	Great Place to work Institute and Economic Times	2023	Our Company was ranked 30th
India's Best Workplace in Microfinance	Great Place to work Institute	2023	Adjudged as one of 'India's Best Workplace in the Microfinance Industry'
Top 25 India's Best Workplace in Microfinance	Great Place to work Institute	2023	Recognized as 'Top 25 India's Best Workplace' across the BFSI industry
Best Operational Excellence Initiative of the Year	Economic Times	2023	Awarded at the ETBFSI Excellence Awards 2023
Best Education Support Initiative of the Year 2022-23	Indian Social Impacts Award	2023	Awarded at the Social Impact Awards 2023
Impactful Contribution in the Economy	4th Elets BFSI Game Changer Summit	2023	Acknowledged for 'Impactful Contribution in the Economy' at the 4th Elets BFSI Game Changer Summit
Company with Great Managers	People Business	2022	Recognized as the 'Company with Great Managers', 2022 at the Great Managers Awards

Corporate Social Responsibility

We have adopted a Corporate Social Responsibility ("CSR") policy in compliance with the requirements of the Companies Act, 2013 and the Companies (Corporate Social Responsibility) Rules, 2014. As per the requirement, 2% of the average net profits of the preceding three years is spent towards CSR activities. The Company is implementing its CSR activities through various implementing agencies. Our Company's CSR approach is deeply rooted in our philosophy, guided by our CSR Policy. Our Company prioritizes sustainable programs that create a meaningful impact on underprivileged communities. We have spent ₹ 175.45 lakhs on CSR activities during Fiscal 2023. Our initiatives include construction of primary schools, coaching centres and hostels, and providing scholarships to underprivileged students.

ORGANISATIONAL STRUCTURE OF OUR COMPANY

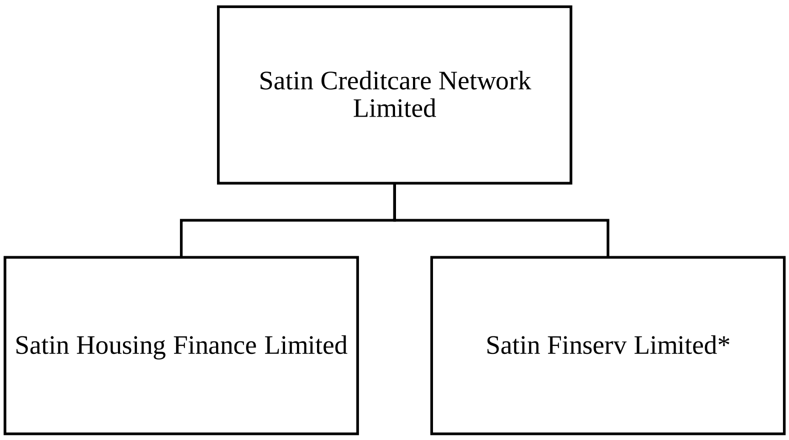
Corporate History

Our Company was incorporated as Satin Leasing and Finance Private Limited, at New Delhi as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated October 16, 1990 issued by the Registrar of Companies, Delhi and Haryana. Our Company was converted into a public limited company pursuant to a fresh certificate of incorporation issued on July 1, 1994, by the RoC. Pursuant to a certificate of registration issued by the RBI on December 4, 1998, our Company was registered as an NBFC. Subsequently, the name of our Company was changed to Satin Creditcare Network Limited and a fresh certificate of incorporation was issued on April 10, 2000 by the RoC. Pursuant to the change in name of our Company from Satin Leasing and Finance Limited to Satin Creditcare Network Limited, the RBI issued a certificate of registration to the Company on November 2, 2000 as an NBFC. Further, our Company was issued a fresh certificate of registration by the RBI on February 4, 2009, enabling it to carry on the business of an NBFC without accepting public deposits. Subsequently, our Company was converted to an NBFC-MFI, and a fresh certificate of registration was issued by the RBI on November 6, 2013 under Section 45-IA of the RBI Act, 1934, to carry on the business of non-banking financial institution without accepting public deposits. Our Company, currently registered as an NBFC-MFI, is classified as a systemically important non-deposit taking NBFC.

The Registered Office of our Company is located at 5th Floor, Kundan Bhawan, Azadpur Commercial Complex, Azadpur, North West, Delhi-110033, India.

Organisational Structure

As on the date of this Preliminary Placement Document, our Company has two subsidiaries, viz., Satin Housing Finance Limited and Satin Finserv Limited. Our organization structure is set forth below:



For further details, see "***Definitions and Abbreviations***" and "***Financial Information***" on pages 20 and 302, respectively.

** Pursuant to the scheme of arrangement for amalgamation under sections 230 to 232 of the Companies Act and other relevant provisions made thereunder, Taraashna Financial Services Limited has been amalgamated with and into Satin Finserv Limited (the "**Scheme**"). The Hon'ble National Company Law Tribunal, Chandigarh Bench, vide its order dated January 31, 2023, has approved the scheme of amalgamation and the necessary form has been filed to the Registrar of Companies on March 1, 2023 which is considered as effective date.*

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

The composition of the Board is governed by the provisions of the Companies Act, 2013, the rules prescribed thereunder, the SEBI Listing Regulations and our Articles of Association. As on date, the Board comprises of seven Directors, including an Executive Director (i.e., the Chairman cum Managing Director), a Non-Executive Non-Independent Director and five Non-Executive Independent Directors (together, "**Non-Executive Directors**"), of which one is a woman Director. As per our Articles of Association, we are required to have a minimum of three Directors and not more than 20 Directors, provided that our Company may appoint more than 20 Directors after passing a special resolution by the shareholders of our Company.

The following table sets forth details of our Board of Directors as of the date of this Preliminary Placement Document:

Name, date of birth, occupation, term of appointment and DIN	Age	Designation	Address
Harvinder Pal Singh ***Date of birth:*** December 24, 1960 ***Occupation****:* Business ***Term****:* Five consecutive years with effect from October 1, 2020 and not liable to retire by rotation ***DIN****:* 00333754	62	Chairman cum Managing Director	MGE-2-TW-04-03, A 3rd floor, Fairway East, M3M Golf Estate, Sector-65, Gurugram-122002, India
Satvinder Singh ***Date of birth:*** March 13, 1966 ***Occupation****:* Business ***Term****:* Liable to retire by rotation ***DIN****:* 00332521	57	Non-Executive Non-Independent Director	Building 1, Apartment 5B, The Hibiscus, Sector-50, South City II, Gurugram-122017, India
Sundeep Kumar Mehta ***Date of birth:*** September 21, 1961 ***Occupation****:* Professional ***Term****:* Five consecutive years with effect from September 5, 2019 and not liable to retire by rotation ***DIN****:* 00840544	62	Non-Executive Independent Director	1629, Sector-29, Noida, Gautam Budh Nagar, Uttar Pradesh-201303, India
Sangeeta Khorana ***Date of birth:*** November 1, 1963 ***Occupation****:* Professional ***Term****:* Five consecutive years with effect from September 5, 2019 and not liable to retire by rotation ***DIN****:* 06674198	60	Non-Executive Independent Director	59, Pottle Walk, Wimborne, BH21 2Fd, United Kingdom
Goh Colin ***Date of birth:*** July 1, 1967	56	Non-Executive Independent Director	173, Ceylon Road, Singapore, 429739

Name, date of birth, occupation, term of appointment and DIN	Age	Designation	Address
***Occupation**:* Professional ***Term**:* Five consecutive years with effect from September 5, 2019 and not liable to retire by rotation ***DIN**:* 06963178			
Sanjay Kumar Bhatia ***Date of birth:*** September 23, 1964 ***Occupation**:* Professional ***Term**:* Five consecutive years with effect from September 5, 2019 and not liable to retire by rotation ***DIN**:* 07033027	59	Non-Executive Independent Director	1414, Dr. Mukherjee Nagar, Delhi-110009, India
Anil Kumar Kalra ***Date of birth:*** May 22, 1955 ***Occupation**:* Professional ***Term**:* Five consecutive years with effect from December 8, 2020 and not liable to retire by rotation ***DIN**:* 07361739	68	Non-Executive Independent Director	Flat no. C-601, Tower C, Prateek Stylome, Sector-45, Noida, Gautam Buddha Nagar, Uttar Pradesh-201301, India

Relationship with other Directors

Except as stated below, none of our Directors are related to each other.

Name of the Directors	Relationship
Harvinder Pal Singh and Satvinder Singh	Brothers

Borrowing Powers of the Board

In accordance with the Articles of Association, our Board of Directors has been empowered to borrow funds in accordance with applicable law. Pursuant to the resolutions dated May 8, 2019 and July 6, 2019, passed by our Board and Shareholders, respectively, our Board is authorized to borrow any sum or sums of money for and on behalf of our Company, from time to time provided that such sum or sums of monies so borrowed together with monies, if any, already borrowed by our Company in excess of the aggregate of paid-up share capital, free reserves and securities premium of the Company shall not exceed ₹ 15,000 crores, at any time. Our borrowing limits may be changed from time to time, subject to approval of the Board and our Shareholders.

Interests of Directors

Except as stated in "***Related Party Transactions***" and "***Financial Information***" on pages 76 and 302, respectively, and to the extent of respective shareholding, remuneration, and other benefits to which they are entitled as per their respective terms of appointment, our Directors do not have any other interest in our Company or its business, other than as disclosed below:

Harvinder Pal Singh and Satvinder Singh have interest in the loan granted by our Company to M/s Satin Neo Dimensions Private Limited and personal guarantees given for the said loan.

All our Directors may be deemed to be interested to the extent of fees payable to them for attending Board and/or Board committee meetings, commission as well as to the extent of reimbursement of expenses payable to them. Our Executive Director may also be deemed to be interested to the extent of remuneration paid to him for services rendered as an officer or employee of our Company.

The Directors may also be deemed to be interested in any Equity Shares held by them and also to the extent of any dividends payable to them in accordance with Companies Act, 2013 and other distributions in respect of the Equity Shares held by them, if any. All of the Directors may also be deemed to be interested in the Equity Shares allotted to their relatives or the companies, firms and trust, in which they are interested as directors, members, partners or trustees and to the extent of benefits arising out of such shareholding.

Other than Harvinder Pal Singh and Satvinder Singh, who are the Promoters of our Company, none of our Directors have any interest in the promotion of our Company.

Our Directors may be deemed to be interested in the contracts, agreements/ arrangements entered into or to be entered into by our Company with any company in which they hold directorships or any partnership firm in which they are partners and there are no outstanding transactions other than in the ordinary course of business undertaken by our Company, in which our Directors are interested. Further, as on the date of this Preliminary Placement Document, our Company has neither availed of any loans from, nor extended any loans to the Directors which are currently outstanding.

Shareholding of Directors

The following table sets forth the number of Equity Shares held by the Directors, as on date of this Preliminary Placement Document:

No.	Name of Director	Designation	No. of Equity Shares	Percentage shareholding in our Company (%)
1.	Satvinder Singh	Non-Executive Non-Independent Director	3,85,703	0.39
2.	Sanjay Kumar Bhatia	Non-executive Independent Director	1,000	Negligible

Terms of appointment of our Executive Director

Harvinder Pal Singh

Harvinder Pal Singh has been re-appointed as the Chairman cum Managing Director for a period of five consecutive years with effect from October 1, 2020 to September 30, 2025, pursuant to a resolution of our Nomination and Remuneration Committee dated May 30, 2020, a resolution of our Board dated June 15, 2020 and a resolution of our shareholders dated August 5, 2020. The total remuneration paid to Harvinder Pal Singh for all services in all capacities to our Company, including contingent or deferred compensation accrued for the year during Financial Year 2023 was ₹ 140.32 lakhs.

Remuneration of the Directors

A. Executive Director

The following table sets forth the compensation paid by our Company to the Executive Director during the current fiscal year as well as Fiscals 2023, 2022 and, 2021:

(in ₹ lakhs)

Name of Directors	Fiscal 2024*#	Fiscal 2023#	Fiscal 2022#	Fiscal 2021#
Harvinder Pal Singh				
Remuneration	77.73	154.71	154.71	154.71

***** *For the period from April 1, 2023 until September 30, 2023.*
 # Including provident fund and other compensation amounting to ₹ 7.20 lakhs for the six month period ended September 30, 2023 and ₹ 14.39 lakhs for Fiscals 2023 and 2022 and ₹ 17.99 lakhs for Fiscal 2021.

B. Non-Executive Directors

Our Board, pursuant to resolution dated October 14, 2019, has approved the payment of sitting fees to our Non-Executive Directors for attending meetings of our Board and its respective committee. Our Non-Executive Directors do not receive any other remuneration.

The following table sets forth the remuneration (which includes sitting fees and commission) paid by our Company to the Non-Executive Directors, including our Independent Directors during the current fiscal as well as Fiscals 2023, 2022, and 2021:

(in ₹ lakhs)

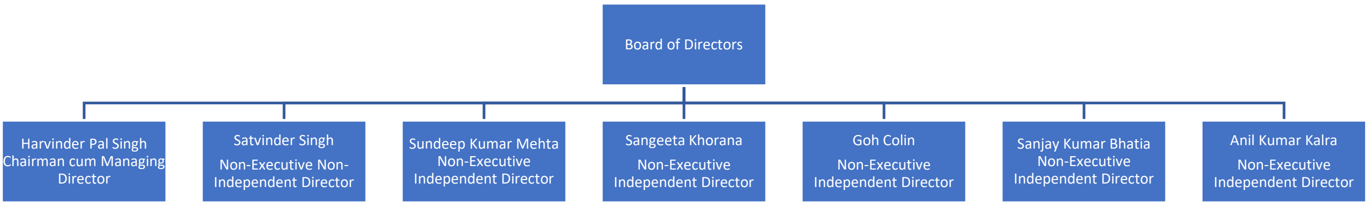
Name	Fiscal 2021	Fiscal 2022	Fiscal 2023	Fiscal 2024*
Satvinder Singh	5.75	6.00	4.25	2.50
Sundeep Kumar Mehta	7.70	7.60	5.95	2.90
Sanjay Kumar Bhatia	5.50	6.10	4.55	2.85
Goh Colin	3.90	5.80	4.55	2.50
Sangeeta Khorana	4.40	3.70	2.50	2.30
Anil Kumar Kalra	4.15	5.00	3.90	1.95
Rakesh Sachdeva**	4.05	NA	NA	NA

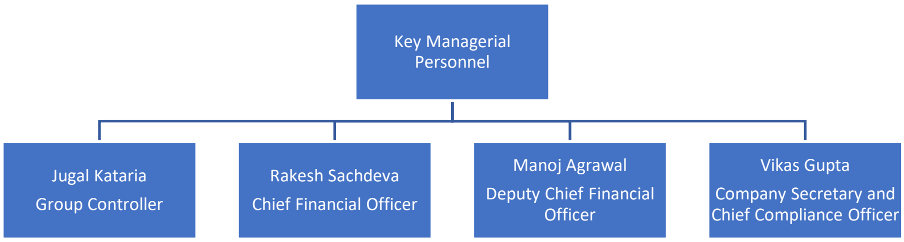
***** *For the period from April 1, 2023 until September 30, 2023.*
*** Resigned with effect from November 4, 2020.*

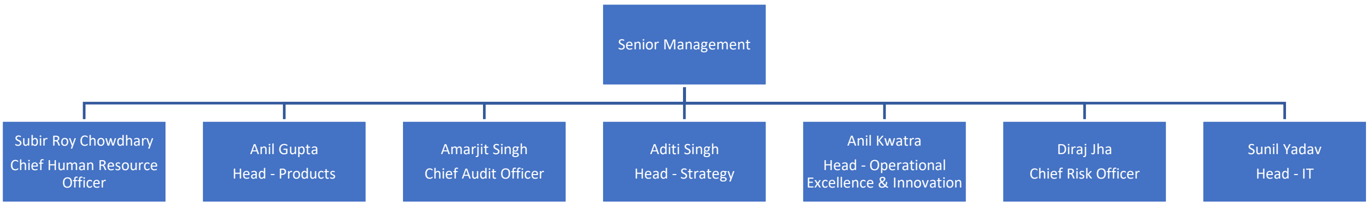
Prohibition by SEBI or Other Governmental Authorities

None of the Directors of the companies with which they are or were associated as promoters, directors or persons in control have been debarred from accessing the capital market under any order or direction passed by SEBI or any other governmental authority.

ORGANISATION CHART







Key Managerial Personnel

As on the date of this Preliminary Placement Document, the Key Managerial Personnel of our Company are the permanent employees of our Company.

In addition to the Chairman cum Managing Director of our Company, the details of our other Key Managerial Personnel in terms of the Companies Act , 2013 and the SEBI ICDR Regulations, as on the date of this Preliminary Placement Document are set forth below:

S. No.	Name of Key Managerial Personnel	Designation
1.	Jugal Kataria	Group Controller
2.	Rakesh Sachdeva	Chief Financial Officer
3.	Manoj Agrawal	Deputy Chief Financial Officer
4.	Vikas Gupta	Company Secretary and Chief Compliance Officer

Shareholding of the Key Managerial Personnel

The following table sets forth the number of Equity Shares held by the Key Managerial Personnel as on date of this Preliminary Placement Document:

S. No.	Name of key managerial personnel	No. of Equity Shares held	Percentage shareholding in our Company (%)
1.	Jugal Kataria	1,06,504	0.11
2.	Rakesh Sachdeva*	9,288	0.01

**Equity Shares held jointly with his spouse, Amita Sachdeva*

Senior Management of our Company

As on the date of this Preliminary Placement Document, the members of Senior Management of our Company are the permanent employees of our Company.

In addition to the Group controller, Company Secretary and Chief Compliance Officer, Chief Financial Officer and Deputy Chief Financial Officer of our Company, the details of our members of Senior Management, as on the date of this Preliminary Placement Document are set forth below:

S. No.	Name of the Senior Management	Designation
1.	Subir Roy Chowdhury	Chief Human Resource Officer
2.	Anil Gupta	Business Head – Products
3.	Amarjit Singh	Chief Audit Officer
4.	Aditi Singh	Head – Strategy
5.	Anil Kwatra	Head – Operational Excellence and Innovation
6.	Dhiraj Jha	Chief Risk Officer
7.	Sunil Yadav	Head - IT

Shareholding of the Senior Management

The following table sets forth the number of Equity Shares held by the members of the Senior Management as on date of this Preliminary Placement Document:

S. No.	Name of member of Senior Management	No. of Equity Shares held	Percentage shareholding in our Company (%)
1.	Aditi Singh	2,030	0.002

Interest of Key Managerial Personnel and members of Senior Management

Except to the extent of Equity Shares held by the Key Managerial Personnel and members of the Senior Management of our Company as mentioned above, and interests as disclosed under "*— **Interests of Directors***" on page 240, and other than (a) remuneration or benefits to which they are entitled as per their terms of appointment or otherwise; and (b) the Equity Shares held by them or their dependants in our Company, if any, any dividend payable to them and other distributions in respect of such Equity Shares, the Key Managerial Personnel and members of the Senior Management do not have any interest in our Company.

None of the Key Managerial Personnel and members of the Senior Management have taken any loans from our Company, except as disclosed below:

Name of the Director	Nature of Interest
Aditi Singh	Advance on salary to the tune of ₹ 25.00 lakhs

Further, except as disclosed in the table above, there are no outstanding transactions, other than in the ordinary course of business undertaken by our Company in which the Key Managerial Personnel and members of the Senior Management were interested parties.

Our Company has not availed any loans from the Key Managerial Personnel and members of the Senior Management, which are currently outstanding.

None of our Key Managerial Personnel and members of the Senior Management are related to each other

Corporate governance

Our Company is in compliance with the requirements with respect to the corporate governance provided in the SEBI Listing Regulations, RBI master directions and the Companies Act, 2013, each as amended. The corporate governance framework is based on an effective independent Board, separation of the supervisory role of the Board from the executive management team and constitution of the committees of the Board, as required under applicable law.

The Board of Directors and committees of our Company are constituted in compliance with the Companies Act, 2013 and the SEBI Listing Regulations, each as amended.

Committees of the Board

In terms of SEBI Listing Regulations, Companies Act, 2013, and the directions, rules and regulations issued by the Reserve Bank of India from time to time, our Company has constituted the following committees of Directors namely:

(i) Audit Committee;
(ii) Nomination and Remuneration Committee;
(iii) Stakeholders' Relationship Committee;
(iv) Corporate Social Responsibility Committee;
(v) Risk Management Committee;
(vi) IT Strategy Committee;
(vii) Working Committee; and
(viii) Asset Liability Management Committee.

The following table sets forth the members of the aforesaid committees as of the date of this Preliminary Placement Document:

S. No.	Committee	Members
1.	Audit Committee	Sanjay Kumar Bhatia (Chairman), Satvinder Singh, Goh Colin and Sundeep Kumar Mehta
2.	Nomination and Remuneration Committee	Sundeep Kumar Mehta (Chairman), Harvinder Pal Singh, Sanjay Kumar Bhatia, Goh Colin and Sangeeta Khorana
3.	Stakeholders' Relationship Committee	Sundeep Kumar Mehta (Chairman), Anil Kumar Kalra and Sanjay Kumar Bhatia

4.	Corporate Social Responsibility Committee	Harvinder Pal Singh (Chairman), Sangeeta Khorana and Goh Colin
5.	Risk Management Committee*	Anil Kumar Kalra (Chairman), Satvinder Singh and Sundeep Kumar Mehta
6.	Working Committee	Harvinder Pal Singh (Chairman), Satvinder Singh, Jugal Kataria, Rakesh Sachdeva, Amit Kumar Gupta, Manish Kumar Mittal and Manoj Agrawal
7.	Asset Liability Management Committee	Harvinder Pal Singh (Chairman), Jugal Kataria, Rakesh Sachdeva, Dhiraj Jha, Amit Kumar Gupta, Manish Kumar Mittal and Manoj Agrawal
8.	IT Strategy Committee**	Anil Kumar Kalra (Chairman), Harvinder Pal Singh, Jugal Kataria, Rakesh Sachdeva and Sunil Yadav

Further, the Company has also constituted the Executive Risk Management Committee, as a sub-committee under the Risk Management Committee.

*****Further, the Company has also constituted an IT Steering Committee, as a sub-committee under the IT Strategy Committee.***

Other confirmations

Except as disclosed in this Preliminary Placement Document, none of the Directors, Promoters or Key Managerial Personnel or members of Senior Management of our Company have any financial or other material interest in the Issue and there is no effect of such interest in so far as it is different from the interests of other persons.

None of our Company, our Directors or Promoters have been identified as wilful defaulters or fraudulent borrowers as defined under the SEBI ICDR Regulations. None of our Directors has been declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018. None of our Company, our Directors or Promoters are debarred from accessing capital markets under any order or direction made by SEBI.

None of our Directors, Promoters or Key Managerial Personnel or members of Senior Management of our Company intend to subscribe to the Issue.

No change in control in our Company will occur consequent to the Issue.

Policy on Disclosures and Internal Procedure for prevention of Insider Trading

SEBI Insider Trading Regulations apply to us and our employees and requires us to formulate and implement a code of practices and procedures for fair disclosure of unpublished price sensitive information and a code of conduct to regulate, monitor and report trading by designated persons and their immediate relatives. Our Company is in compliance with the same and has implemented code of conducts for prevention of insider trading in accordance with the SEBI Insider Trading Regulations, in terms of which, Vikas Gupta, acts as the Compliance Officer of our Company.

SHAREHOLDING PATTERN OF OUR COMPANY

The following table sets forth the shareholding pattern of our Company as on September 30, 2023:

Table I–- Summary Statement holding of specified securities

Category	Category of shareholder (II)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	No. of Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+ (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialised form (XIV)
								No of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Share s held (b)	
								Class eg: X	Class eg:y	Total								
A	Promoter & Promoter Group*	6	3,98,29,427	Nil	Nil	3,98,29,427	39.98	3,98,29,427	Nil	3,98,29,427	39.98	Nil	39.98	1,23,07,692	30.90	Nil	Nil	3,98,29,427
B	Public	23,520	5,93,22,008	Nil	Nil	5,93,22,008	59.54	5,93,22,008	Nil	5,93,22,008	59.54	Nil	59.54	1,23,07,692	20.75	Nil	Nil	5,91,66,765
C	Non Promoter-Non Public	1	4,82,946	Nil	Nil	4,82,946	0.48	4,82,946	Nil	4,82,946	0.48	Nil	0.48	Nil	Nil	Nil	Nil	4,82,946
C1	Shares underlying DRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
C2	Shares held by Employee Trusts	1	4,82,946	Nil	Nil	4,82,946	0.48	4,82,946	Nil	4,82,946	0.48	Nil	0.48	Nil	Nil	Nil	Nil	4,82,946
	Total (A+B+C)	**23,527**	**9,96,34,381**	**Nil**	**Nil**	**9,96,34,381**	**100.00**	**9,96,34,381**	**Nil**	**9,96,34,381**	**100.00**	**Nil**	**100.00**	**2,46,15,384**	**24.71**	**Nil**	**Nil**	**9,94,79,138**

** Excluding 1,326 Equity Shares that have been transmitted from Late Mr. Gurjit Singh Maingi to Anureet H P Singh, a member of our Promoter Group, on December 4, 2023.*

Table II– Statement showing shareholding pattern of the Promoters and Promoter Group

Category & Name of the Shareholders (I)	No. of shareholder (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII = IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII)+(X) as a % of A+B+C2	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form
							No of Voting Rights			Total as a % of Total Voting rights			No. (a)	As a % of total Shar es held (b)	No. (a)	As a % of total share s held (b)	(XIV)
							Class X	Class Y	Total								
Indian																	
Individuals/Hindu undivided Family	**4**	**17,22,345**	**Nil**	**Nil**	**17,22,345**	**1.73**	**17,22,345**	**Nil**	**17,22,345**	**1.73**	**Nil**	**1.73**	**Nil**	**Nil**	**Nil**	**Nil**	**17,22,345**
Anureet H P Singh*	1	7,26,148	Nil	Nil	7,26,148	0.73	7,26,148	Nil	7,26,148	0.73	Nil	0.73	Nil	Nil	Nil	Nil	7,26,148
Harbans Singh	1	4,06,402	Nil	Nil	4,06,402	0.41	4,06,402	Nil	4,06,402	0.41	Nil	0.41	Nil	Nil	Nil	Nil	4,06,402
Satvinder Singh	1	3,85,703	Nil	Nil	3,85,703	0.39	3,85,703	Nil	3,85,703	0.39	Nil	0.39	Nil	Nil	Nil	Nil	3,85,703
Neeti Singh	1	2,04,092	Nil	Nil	2,04,092	0.20	2,04,092	Nil	2,04,092	0.20	Nil	0.20	Nil	Nil	Nil	Nil	2,04,092
Harvinder Pal Singh	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Central Government/ State Government(s)	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**

Category & Name of the Shareholders (I)	No. of shareholder (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII = IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII)+(X) as a % of A+B+C2	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form
							No of Voting Rights			Total as a % of Total Voting rights			No. (a)	As a % of total Shar es held (b)	No. (a)	As a % of total share s held (b)	(XIV)
							Class X	Class Y	Total								
Financial Institutions/ Banks	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**
Any Other (specify)	**2**	**3,81,07,082**	**Nil**	**Nil**	**3,81,07,082**	**38.25**	**3,81,07,082**	**Nil**	**3,81,07,082**	**38.25**	**Nil**	**38.25**	**1,23,07,692**	**32.30**	**Nil**	**Nil**	**3,81,07,082**
Bodies Corporate	**2**	**3,81,07,082**	**Nil**	**Nil**	**3,81,07,082**	**38.25**	**3,81,07,082**	**Nil**	**3,81,07,082**	**38.25**	**Nil**	**38.25**	**1,23,07,692**	**32.30**	**Nil**	**Nil**	**3,81,07,082**
Trishashna Holdings & Investments Private Limited	1	3,77,84,820	Nil	Nil	3,77,84,820	37.92	3,77,84,820	Nil	3,77,84,820	37.92	Nil	37.92	1,23,07,692	32.57	Nil	Nil	3,77,84,820
Wisteria Holdings & Investments Private Limited	1	3,22,262	Nil	Nil	3,22,262	0.32	3,22,262	Nil	3,22,262	0.32	Nil	0.32	Nil	Nil	Nil	Nil	3,22,262
Sub-Total (A)(1)	**6**	**3,98,29,427**	**Nil**	**Nil**	**3,98,29,427**	**39.98**	**3,98,29,427**	**Nil**	**3,98,29,427**	**39.98**	**Nil**	**39.98**	**1,23,07,692**	**30.90**	**Nil**	**Nil**	**3,98,29,427**
Foreign																	
Individuals (Non-Resident Individuals/ Foreign Individuals)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Category & Name of the Shareholders (I)	No. of shareholder (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII = IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII)+(X) as a % of A+B+C2	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form
							No of Voting Rights			Total as a % of Total Voting rights			No. (a)	As a % of total Shar es held (b)	No. (a)	As a % of total share s held (b)	(XIV)
							Class X	Class Y	Total								
Government	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Institutions	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Foreign Portfolio Investor	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Any Other (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-Total (A)(2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total Shareholding of Promoters and Promoter Group (A)= (A)(1)+(A)(2)	**6**	**3,98,29,427**	**Nil**	**Nil**	**3,98,29,427**	**39.98**	**3,98,29,427**	**Nil**	**3,98,29,427**	**39.98**	**Nil**	**39.98**	**1,23,07,692**	**30.90**	**Nil**	**Nil**	**3,98,29,427**

** Excluding 1,326 Equity Shares that have been transmitted from Late Mr. Gurjit Singh Maingi to Anureet H P Singh, a member of our Promoter Group, on December 4, 2023.*

Table III–- Statement showing shareholding pattern of the Public shareholder

Category & Name of the Shareholders (I)	Nos. of share older (III)	No. of fully paid up equity share s held (IV)	Partly paid-up equity shares held	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held VII = IV+V+VI	Shareholding % calculate d as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No. of Shar	Total shareholding	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered		Number of equity shares held in demateriali	Sub-categorisation of shares		
							No of Voting Rights			Total as a % of Total			No. (a)	As a % of total Sh	No. (Not applicable) (a)	As a % of total sha		Shareholding (no. of shares) under		
							Class X	Class Y	Tot al									Sub-category (i)	Sub-category (ii)	Sub-category (iii)
Institutions (Domestic)																				
Mutual Funds	**1**	**11,40,329**	**Nil**	**Nil**	**11,40,329**	**1.14**	**11,40,329**	**Nil**	**11,40,329**	**1.14**	**Nil**	**1.14**	**Nil**	**Nil**	**NA**	**NA**	**11,40,329**	**Nil**	**Nil**	**Nil**
Aditya Birla Sun LifeTrustee Private Limited A/C Aditya Brila Sun Life Small Cap Fund	1	11,40,329	Nil	Nil	11,40,329	1.14	11,40,329	Nil	11,40,329	1.14	Nil	1.14	Nil	Nil	NA	NA	11,40,329	Nil	Nil	Nil
Venture Capital Funds	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**NA**	**NA**	**Nil**			
Alternate Investment Funds	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**NA**	**NA**	**Nil**			
Banks	**2**	**27,80,179**	**Nil**	**Nil**	**27,80,179**	**2.79**	**27,80,179**	**Nil**	**27,80,179**	**2.79**	**Nil**	**2.79**	**Nil**	**Nil**	**NA**	**NA**	**27,80,179**	**Nil**	**Nil**	**Nil**
IndusInd Bank Limited Treasury Department	1	21,85,425	Nil	Nil	21,85,425	2.19	21,85,425	Nil	21,85,425	2.19	Nil	2.19	Nil	Nil	NA	NA	21,85,425			
Insurance Companies	**1**	**22,270**	**Nil**	**Nil**	**22,270**	**0.02**	**22,270**	**Nil**	**22,270**	**0.02**	**Nil**	**0.02**	**Nil**	**Nil**	**NA**	**NA**	**22,270**	**Nil**	**Nil**	**Nil**
Provident Funds/ Pension Funds	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**NA**	**NA**	**Nil**			
Asset reconstruction companies	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**NA**	**NA**	**Nil**			
Sovereign	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**NA**	**NA**	**Nil**			

Category & Name of the Shareholders (I)	Nos. of share older (III)	No. of fully paid up equity share s held (IV)	Partly paid-up equity shares held	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held VII = IV+V+VI	Shareholding % calculate d as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No. of Shar	Total shareholding	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised	Sub-categorisation of shares		
							No of Voting Rights			Total as a % of Total			No. (a)	As a % of total Sh	No. (Not applicable) (a)	As a % of total sha		Shareholding (no. of shares) under		
							Class X	Class Y	Tot al									Sub-category (i)	Sub-category (ii)	Sub-category (iii)
Wealth Funds																				
NBFCs registered with RBI	**1**	**14,500**	**Nil**	**Nil**	**14,500**	**0.01**	**14,500**	**Nil**	**14,500**	**0.01**	**Nil**	**0.01**	**Nil**	**Nil**	**NA**	**NA**	**14,500**	**Nil**	**Nil**	**Nil**
Other Financial Institutions	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**NA**	**NA**	**Nil**			
Any Other (specify)	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**NA**	**NA**	**Nil**			
Sub-Total (B)(1)	**5**	**39,57,278**	**Nil**	**Nil**	**39,57,278**	**3.97**	**39,57,278**	**Nil**	**39,57,278**	**3.97**	**Nil**	**3.97**	**Nil**	**Nil**	**NA**	**NA**	**39,57,278**	**Nil**	**Nil**	**Nil**
Institutions (Foreign)																				
Foreign Direct Investment	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**NA**	**NA**	**Nil**			
Foreign Venture Capital Investors	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**NA**	**NA**	**Nil**			
Sovereign Wealth Funds	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**NA**	**NA**	**Nil**			
Foreign Portfolio Investors Category I	**31**	**66,86,497**	**Nil**	**Nil**	**66,86,497**	**6.71**	**66,86,497**	**Nil**	**66,86,497**	**6.71**	**Nil**	**6.71**	**Nil**	**Nil**	**NA**	**NA**	**66,86,497**	Nil	Nil	Nil
Massachusetts Institute of Technology	1	19,98,787	Nil	Nil	19,98,787	2.01	19,98,787	Nil	19,98,787	2.01	Nil	2.01	Nil	Nil	NA	NA	19,98,787			
Evli Emerging Frontier Fund	1	15,00,000	Nil	Nil	15,00,000	1.51	15,00,000	Nil	15,00,000	1.51	Nil	1.51	Nil	Nil	NA	NA	15,00,000			
Nederlandse Financierings –	1	14,24,030	Nil	Nil	14,24,030	1.43	14,24,030	Nil	14,24,030	1.43	Nil	1.43	Nil	Nil	NA	NA	14,24,030			

Category & Name of the Shareholders (I)	Nos. of share older (III)	No. of fully paid up equity share s held (IV)	Partly paid-up equity shares held	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held VII = IV+V+VI	Shareholding % calculate d as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No. of Shar	Total shareholding	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered		Number of equity shares held in demateriali	Sub-categorisation of shares		
							No of Voting Rights			Total as a % of Total			No. (a)	As a % of total Sh	No. (Not applicable) (a)	As a % of total sha		Shareholding (no. of shares) under		
							Class X	Class Y	Tot al									Sub-category (i)	Sub-category (ii)	Sub-category (iii)
Maatschappij Voor Ontwikkelingslanden N.V. (Fmo)																				
Foreign Portfolio Investors Category II	**2**	**2,17,482**	**Nil**	**Nil**	**2,17,482**	**0.22**	**2,17,482**	**Nil**	**2,17,482**	**0.22**	**Nil**	**0.22**	**Nil**	**Nil**	**NA**	**NA**	**2,17,482**	**Nil**	**Nil**	**Nil**
Overseas Depositories (holding DRs) (balancing figure)	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**NA**	**NA**	**Nil**			
Any Other (specify)	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**NA**	**NA**	**Nil**			
Sub-Total (B)(2)	**33**	**69,03,979**	**Nil**	**Nil**	**69,03,979**	**6.93**	**69,03,979**	**Nil**	**69,03,979**	**6.93**	**Nil**	**6.93**	**Nil**	**Nil**	**NA**	**NA**	**69,03,979**	**Nil**	**Nil**	**Nil**
Central Government/ State Government(s)																				
Central Government/ President of India	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**NA**	**NA**	**Nil**			
State Government/Governor	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**NA**	**NA**	**Nil**			
Shareholding by companies or bodies corporate	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**NA**	**NA**	**Nil**			

Category & Name of the Shareholders (I)	Nos. of share older (III)	No. of fully paid up equity share s held (IV)	Partly paid-up equity shares held	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held VII = IV+V+VI	Shareholding % calculate d as per SCRR , 1957 As a % of (A+B+ C2)	Number of Voting Rights held in each class of securities (IX)				No. of Shar	Total shareholding	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised	Sub-categorisation of shares		
							No of Voting Rights			Total as a % of Total			No. (a)	As a % of total Sh	No. (Not applicable) (a)	As a % of total sha		Shareholding (no. of shares) under		
							Class X	Class Y	Tot al									Sub-category (i)	Sub-category (ii)	Sub-category (iii)
where Central/State Government is a Promoter																				
Sub-Total (B)(3)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	NA	NA	Nil			
Non-institutions		Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	NA	NA	Nil			
Associate companies/Subsidiaries	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	NA	NA	Nil			
Directors and their relatives (excluding independent directors and nominee directors)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	NA	NA	Nil			
Key Managerial Personnel	2	1,15,792	Nil	Nil	1,15,792	0.12	115792	Nil	1,15,792	0.12	Nil	0.12	Nil	Nil	NA	NA	1,15,792	Nil	Nil	Nil
Relatives of promoters (other than 'immediate relatives' of promoters disclosed under 'Promoter and Promoter Group' category	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	NA	NA	Nil			

Category & Name of the Shareholders (I)	Nos. of share older (III)	No. of fully paid up equity share s held (IV)	Partly paid-up equity shares held	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held VII = IV+V+VI	Shareholding % calculate d as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No. of Shar	Total shareholding	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized	Sub-categorisation of shares		
							No of Voting Rights			Total as a % of Total			No. (a)	As a % of total Sh	No. (Not applicable) (a)	As a % of total sha		Shareholding (no. of shares) under		
							Class X	Class Y	Tot al									Sub-category (i)	Sub-category (ii)	Sub-category (iii)
Trusts where any person belonging to ‘Promoter and Promoter Group’ category is ‘trustee’, ‘beneficiary’, or ‘author of the trust’	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	NA	NA	Nil			
Investor Education and Protection Fund (IEPF)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	NA	NA	Nil			
i. Resident individual olders holding nominal share capital up to ₹ 2 lakhs.	22,162	90,95,057	Nil	Nil	90,95,057	9.13	90,95,057	Nil	90,95,057	9.13	Nil	9.13	Nil	Nil	NA	NA	89,48,514	Nil	Nil	Nil
ii. Resident individual holding nominal share capital in excess of ₹ 2 lakhs.	100	97,05,763	Nil	Nil	97,05,763	9.74	97,05,763	Nil	97,05,763	9.74	Nil	9.74	Nil	Nil	NA	NA	97,05,763	Nil	Nil	Nil
Non-Resident Indians (NRIs)	445	5,58,029	Nil	Nil	5,58,029	0.56	5,58,029	Nil	5,58,029	0.56	Nil	0.56	Nil	Nil	NA	NA	5,58,029	Nil	Nil	Nil
Foreign Nationals	1	3,200	Nil	Nil	3,200	Nil	3,200	Nil	3,200	Nil	Nil	Nil	Nil	Nil	NA	NA	Nil	Nil	Nil	Nil

Category & Name of the Shareholders (I)	Nos. of share older (III)	No. of fully paid up equity share s held (IV)	Partly paid-up equity shares held	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held VII = IV+V+VI	Share holding % calculate d as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No. of Shar	Total shareholding	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised	Sub-categorisation of shares		
							No of Voting Rights			Total as a % of Total			No. (a)	As a % of total Sh	No. (Not applicable) (a)	As a % of total sha		Shareholding (no. of shares) under		
							Class X	Class Y	Tot al									Sub-category (i)	Sub-category (ii)	Sub-category (iii)
Foreign Companies	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**NA**	**NA**	**Nil**			
Bodies Corporate	**223**	**1,26,78,476**	**Nil**	**Nil**	**1,26,78,476**	**12.73**	**1,26,78,476**	**Nil**	**1,26,78,476**	**12.73**	**Nil**	**12.73**	**Nil**	**Nil**	**NA**	**NA**	**1,26,72,976**	**Nil**	**Nil**	**Nil**
Rajsonia Consultancy Services Private Limited	1	25,14,127	Nil	Nil	25,14,127	2.52	25,14,127	Nil	25,14,127	2.52	Nil	2.52	Nil	Nil	NA	NA	25,14,127			
Bhawani Finvest Private Limited	1	21,95,000	Nil	Nil	21,95,000	2.20	21,95,000	Nil	21,95,000	2.20	Nil	2.20	Nil	Nil	NA	NA	21,95,000			
Linkage Securities Private Limited	1	21,35,895	Nil	Nil	21,35,895	2.14	21,35,895	Nil	21,35,895	2.14	Nil	2.14	Nil	Nil	NA	NA	21,35,895			
Trust Team Investors Limited	1	11,60,914	Nil	Nil	11,60,914	1.17	11,60,914	Nil	11,60,914	1.17	Nil	1.17	Nil	Nil	NA	NA	11,60,914			
Any Other (specify)	**549**	**1,63,04,434**	**Nil**	**Nil**	**1,63,04,434**	**16.36**	**1,63,04,434**	**Nil**	**1,63,04,434**	**16.36**	**Nil**	**16.36**	**1,23,07,692**	**75.49**	**NA**	**NA**	**1,63,04,434**	**Nil**	**Nil**	**Nil**
Trusts	**2**	**51,249**	**Nil**	**Nil**	**51,249**	**0.05**	**51,249**	**Nil**	**51,249**	**0.05**	**Nil**	**0.05**	**Nil**	**Nil**	**NA**	**NA**	**51,249**	**Nil**	**Nil**	**Nil**
Body Corporate – Limited Liability Partnership	**30**	**1,56,62,940**	**Nil**	**Nil**	**1,56,62,940**	**15.72**	**1,56,62,940**	**Nil**	**1,56,62,940**	**15.72**	**Nil**	**15.72**	**1,23,07,692**	**78.58**	**NA**	**NA**	**1,56,62,940**	**Nil**	**Nil**	**Nil**
Florintree Ventures LLP	1	1,23,07,692	Nil	Nil	1,23,07,692	12.35	1,23,07,692	Nil	1,23,07,692	12.35	Nil	12.35	1,23,07,692	100	NA	NA	1,23,07,692			
Hindu Undivided Family	**516**	**5,89,742**	**Nil**	**Nil**	**5,89,742**	**0.59**	**5,89,742**	**Nil**	**5,89,742**	**0.59**	**Nil**	**0.59**	**Nil**	**Nil**	**NA**	**NA**	**5,89,742**	**Nil**	**Nil**	**Nil**
Clearing Member	**1**	**503**	**Nil**	**Nil**	**503**	**Nil**	**503**	**Nil**	**503**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**NA**	**NA**	**503**	**Nil**	**Nil**	**Nil**

Category & Name of the Shareholders (I)	Nos. of share older (III)	No. of fully paid up equity share s held (IV)	Partly paid-up equity shares held	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held VII = IV+V+VI	Shareholding % calculate d as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No. of Shar	Total shareholding	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized	Sub-categorisation of shares		
							No of Voting Rights			Total as a % of Total			No. (a)	As a % of total Sh	No. (Not applicable) (a)	As a % of total sha		Shareholding (no. of shares) under		
							Class X	Class Y	Tot al									Sub-category (i)	Sub-category (ii)	Sub-category (iii)
Sub-Total (B)(4)	**23,482**	**4,84,60,751**	**Nil**	**Nil**	**4,84,60,751**	**48.64**	**4,84,60,751**	**Nil**	**4,84,60,751**	**48.64**	**Nil**	**48.64**	**1,23,07,692**	**25.40**	**NA**	**NA**	**4,83,05,508**	**Nil**	**Nil**	**Nil**
Total Public Shareholding (B)= (B)(1)+(B)(2)+(B)(3)+(B)(4)	**23,520**	**5,93,22,008**	**Nil**	**Nil**	**5,93,22,008**	**59.54**	**5,93,22,008**	**Nil**	**5,93,22,008**	**59.54**	**Nil**	**59.54**	**1,23,07,692**	**20.75**	**NA**	**NA**	**5,91,66,765**	**Nil**	**Nil**	**Nil**

Table IV–- Statement showing shareholding pattern of the Non Promoter–- Non Public Shareholder

Category & Name of the Shareholders (I)	No. of Shareholders (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total no. shares held (VII = IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV) (Not Applicable)
							No of Voting Rights			Total as a % of Total Voting rights			*No.*	*As a % of total Shares held*	*No. (Not applicable)*	*As a % of total shares held (Not applicable)*	
							Class X	Class Y	Total								
Custodian/DR Holder	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	NA	NA	Nil
Employee Benefit Trust/Employee Welfare Trust under SEBI (Share based Employee Benefits and Sweat Equity) Regulations, 2021	1	4,82,946	Nil	Nil	4,82,946	0.48	4,82,946	Nil	4,82,946	0.48	Nil	0.48	Nil	Nil	NA	NA	4,82,946
Total Non-Promoter-Non Public Shareholding	**1**	**4,82,946**	**Nil**	**Nil**	**4,82,946**	**0.48**	**4,82,946**	**Nil**	**4,82,946**	**0.48**	**Nil**	**0.48**	**Nil**	**Nil**	**NA**	**NA**	**4,82,946**

ISSUE PROCEDURE

The following is a summary intended to present a general outline of the procedure relating to the application, payment, Allocation and Allotment of the Equity Shares to be issued pursuant to the Issue. The procedure followed in the Issue may differ from the one mentioned below, and investors are presumed to have apprised themselves of the same from our Company or the Book Running Lead Manager. Prospective Investors are advised to inform themselves of any restriction or limitation that may be applicable to them.

*Investors that apply in the Issue will be required to confirm and will be deemed to have represented to our Company, the Book Running Lead Manager and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Investors are advised to inform themselves of any restrictions or limitations that may be applicable to them. See the sections "**Selling Restrictions**" and "**Transfer Restrictions**" on pages 274 and 281, respectively.*

Our Company, the Book Running Lead Manager and their respective directors, officers, agents, advisors, affiliates and representatives are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Preliminary Placement Document. Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Preliminary Placement Document. Further, Eligible QIBs are required to satisfy themselves that their Application Forms would not result in triggering a tender offer under the SEBI Takeover Regulations.

Qualified Institutions Placement

THE ISSUE IS MEANT ONLY FOR ELIGIBLE QIBs ON A PRIVATE PLACEMENT BASIS AND IS NOT AN OFFER TO THE PUBLIC OR TO ANY OTHER CLASS OF INVESTORS

This Preliminary Placement Document has not been, and will not be, registered as a prospectus with the RoC and, no Equity Shares will be offered in India or overseas to the public or any members of the public or any other class of investors, other than Eligible QIBs.

The Issue is being made to Eligible QIBs in reliance upon Chapter VI of the SEBI ICDR Regulations, Sections 42 and 62 of the Companies Act, 2013 read with Rule 14 of the PAS Rules, through the mechanism of a QIP wherein a listed company in India may issue and allot equity shares to Eligible QIBs on a private placement basis provided *inter alia* that:

(a) a special resolution approving the QIP is passed by shareholders of the issuer. Such special resolution must specify (a) that the allotment of equity shares is proposed to be made pursuant to a QIP; and (b) the Relevant Date;

(b) an explanatory statement to the notice to shareholders for convening the general meeting must disclose among other things, the particulars of the Issue, including the date of passing the board resolution, the kind of securities being offered, amount which the company intends to raise by way of such securities and the material terms of raising such securities and the objects of the proposed issue;

(c) equity shares of the same class of such issuer, which are proposed to be allotted through the QIP, have been listed on a recognised stock exchange in India having nation-wide trading terminals for a period of at least one year prior to the date of issuance of notice to its shareholders for convening the meeting to pass the above-mentioned special resolution;

(d) invitation to apply in the QIP must be made through a private placement offer letter (i.e., the Preliminary Placement Document and the Placement Document) and an application form serially numbered and addressed specifically to the Eligible QIBs to whom the QIP is made either in writing or in electronic mode, within 30 days of recording the name of such person in accordance with applicable law;

(e) In accordance with SEBI ICDR Regulations and other applicable law, issuance and allotment of Equity Shares shall be done in dematerialised form only;

(f) our Company shall not make any subsequent qualified institutions placement until the expiry of two weeks from the date of this Issue.

(g) Promoters and Directors are not fugitive economic offenders;

(h) the Directors are not declared as "Fraudulent Borrower" by the lending banks or financial institution or consortium, in terms of RBI master circular dated July 1, 2016.

(i) an offer to Eligible QIBs will not be subject to a limit of 200 persons. Prior to circulating the private placement offer cum application letter (i.e., this Preliminary Placement Document), our Company must prepare and record a list of Eligible QIBs to whom the offer will be made. The offer must be made only to such Eligible QIBs whose names are recorded by our Company prior to the invitation to subscribe;

(j) the issuer shall have completed allotments with respect to any offer or invitation made earlier by the issuer or shall have withdrawn or abandoned any invitation or offer previously made by the issuer;

(k) our Company acknowledges that the offering of securities by issue of public advertisements or utilization of any media, marketing or distribution channels or agents to inform the public about the Issue is prohibited;

(l) at least 10% of the equity shares issued to Eligible QIBs must be allotted to Mutual Funds, provided that, if this portion or any part thereof to be allotted to Mutual Funds remains unsubscribed, it may be allotted to other Eligible QIBs; and

(m) The issue must be made through a private placement offer letter and an application form serially numbered and addressed specifically to the Eligible QIB to whom the issue is made and is sent within 30 days of recording the names of such Eligible QIBs.

Bidders are not allowed to withdraw or revise downwards their Bids after the Bid/Issue Closing Date.

Prospective purchasers will be required to make certain representations, warranties and undertakings in order to participate in the Issue. Prospective purchasers will be deemed to have represented to us and the Book Running Lead Manager in order to participate in the Issue that they are outside the United States and purchasing the Equity Shares in an offshore transaction in accordance with Regulation S and the applicable laws of the jurisdictions where those offers and sales are made. For details, see sections entitled '***Representations by Investors***', '***Selling Restrictions***' and '***Transfer Restrictions***' on pages 3, 274 and 281, respectively of this Preliminary Placement Document.

Additionally, there is a minimum pricing requirement for pricing the equity shares offered in a QIP under the SEBI ICDR Regulations. The floor price shall not be less than the average of the weekly high and low of the closing prices of the equity shares of the same class quoted on the stock exchange during the two weeks preceding the Relevant Date as calculated in accordance with Chapter VI of the SEBI ICDR Regulations. Provided however that an issuer may offer a discount of not more than 5% of the floor price, as permitted in accordance with the provisions of the SEBI ICDR Regulations. Our Company may offer a discount on the Floor Price in accordance with the approval of the Shareholders accorded on November 27, 2023 and in accordance with the SEBI ICDR Regulations.

The "relevant date" referred to above, means the date of the meeting in which the board of directors or the committee of directors duly authorised by the board of directors decides to open the proposed issue and the "stock exchange" means any of the recognised stock exchanges in India on which the equity shares of the issuer of the same class are listed and on which the highest trading volume in such equity shares has been recorded during the two weeks immediately preceding the relevant date.

Equity shares must be allotted within 365 days from the date of the shareholders resolution approving the QIP and also within 60 days from the date of receipt of application money from the successful applicants. The equity shares issued pursuant to the QIP must be issued on the basis of a preliminary placement document and placement document that shall contain all material information including the information specified in Schedule VII of the SEBI ICDR Regulations and Form PAS-4 as prescribed under the Companies Act, 2013 and the PAS Rules.

The preliminary placement document and the placement document are private documents provided to only select Eligible QIBs, through serially numbered copies and are required to be placed on the website of the concerned stock exchanges and of the issuer with a disclaimer to the effect that they are in connection with an issue to Eligible QIBs and no offer is being made to the public or to any other category of investors.

Please note that if you do not receive a serially numbered copy of this Preliminary Placement Document addressed to you, you may not rely on this Preliminary Placement Document or Placement Document uploaded on the website of the Stock

Exchanges or our Company for making an application to subscribe to Securities pursuant to the Issue.

Securities allotted to an Eligible QIB pursuant to a QIP shall not be sold for a period of one year from the date of allotment except on a recognised stock exchange in India.

Allotments made to VCFs, and AIFs in the Issue are subject to the rules and regulations that are applicable to them, including in relation to lock-in requirements VCFs and AIFs should independently consult their own counsels and advisors as to investment in and related matters concerning the Issue.

The minimum number of allottees for each QIP shall not be less than:

- two, where the issue size is less than or equal to ₹ 25,000 lakhs;
- five, where the issue size is greater than ₹ 25,000 lakhs.

No single allottee shall be Allotted more than 50% of the issue size. Eligible QIBs that belong to the same group or that are under common control shall be deemed to be a single Allottee for this purpose. For details of what constitutes "same group" or "common control", see "***—Bid Process—Application Form***" on page 250.

The issuer shall also make the requisite filings with the RoC, Stock Exchanges, and SEBI within the stipulated period as required under the Companies Act, 2013 and the PAS Rules.

Our Company has filed a copy of this Preliminary Placement Document and will file a copy of the Placement Document with the Stock Exchanges.

Our Company has received the in-principle approval from each of the BSE and NSE on December 14, 2023, in terms of Regulation 28(1) of the SEBI Listing Regulations for the Issue. The Board of Directors has authorised the Issue pursuant to a resolution passed at its meeting held on October 19, 2023. The shareholders of our Company have authorised the Issue pursuant to a special resolution passed by the shareholders in the extra-ordinary general meeting held on November 27, 2023.

Issue Procedure

1. On the Issue Opening Date, our Company and the Book Running Lead Manager shall circulate serially numbered copies of the Preliminary Placement Document and the serially numbered Application Form, either in electronic form or physical form, to Eligible QIBs and the Application Form shall be specifically addressed to such Eligible QIBs. Pursuant to Section 42(3) of the Companies Act, 2013, our Company shall maintain complete record of the Eligible QIBs in the form and manner as prescribed under the PAS Rules to whom the Preliminary Placement Document and the serially numbered Application Form have been dispatched. Our Company will make the requisite filings with the RoC within the stipulated time period as required under the Companies Act, 2013 and the rules made thereunder.

2. The list of Eligible QIBs to whom the Application Form and serially numbered Preliminary Placement Document are delivered shall be determined by the Book Running Lead Manager in consultation with our Company, at their sole discretion. **Unless a serially numbered Preliminary Placement Document along with the serially numbered Application Form is addressed to a particular QIB, which includes the details of the bank account wherein the Application Amount is to be deposited no invitation to subscribe shall be deemed to have been made to such QIB.** Even if such documentation were to come into the possession of any person other than the intended recipient, no offer or invitation to offer shall be deemed to have been made to such other person and any application that does not comply with this requirement shall be treated as invalid.

3. Eligible QIBs may submit the Application Form, including any revisions thereof, along with the Application Amount and a copy of the PAN card or PAN allotment letter and/or any other documents mentioned in the Application Form, during the Bidding Period to the Book Running Lead Manager.

4. Eligible QIBs will be required to indicate the following in the Application Form:

   (a) Full official name of the Eligible QIB to whom Equity Shares are to be Allotted; complete address, email id and bank account details;

(b) number of Equity Shares Bid for;

(c) price at which they are agreeable to subscribe for the Equity Shares and the aggregate Application Amount for the number of Equity Shares bid for;

(d) it has agreed to all the representations, warranties, acknowledgements and agreements set forth in or incorporated by reference in the Application Form, which will include, but will not be limited to, the representations, warranties, acknowledgements and agreements set forth in the "***Notice to Investors***", "***Representations by Investors***", "***Issue Procedure***", "***Selling Restrictions***" and "***Transfer Restrictions***" on pages 1, 3, 259, 274, and 281, respectively, which will be incorporated by reference; and

(e) the details of the depository account to which the Equity Shares should be credited.

5. Each bidder shall be required to make the entire payment of the Application Amount for the Equity Shares Bid for, along with the Application Form, only through electronic transfer to the Escrow Account within the Issue Period as specified in the Application Form sent to the respective Bidders. Please note that any payment of Application Amount for Equity Shares shall be made from the bank accounts of the relevant Bidders and our Company shall keep a record of the bank account from where such payment has been received. No payment shall be made in the Issue by the bidders in cash. Application Amount payable on Equity Shares to be held by joint holders shall be paid from the bank account of the person whose name appears first in the Application Form. Pending Allotment, and the filling of return of Allotment by our Company with the RoC or receipt of final listing and trading approval from the Stock Exchanges, whichever is later, Application Amount received for subscription of the Equity Shares shall be kept by our Company in the Escrow Account, i.e. a separate bank account with a scheduled bank, and shall be utilised only for the purposes permitted under the Companies Act, 2013. Notwithstanding the above, in the event, among others, a Bidder is not Allocated Equity Shares in the Issue, or the number of Equity Shares Allocated to the bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Application Amount has been paid by such Bidder, or a Bidder lowers or withdraws the Bid prior to the Issue Closing Date, or the Application Amount is in excess of the amount equivalent to the product of the Equity Shares that have been Allocated to the bidder and the Issue Price, or the Application Amount has been arrived at using an indicative price higher than the Issue Price, or any Bidder lowers or withdraws their Bid after submission of the Application Form but prior to the Issue Closing Date, the excess Application Amount will be refunded to the same bank account from which it was remitted, in the form and manner set out in "***-Refunds***" below on page 270.

6. Once a duly filled in Application Form is submitted by the QIB, whether signed or not, such application amount is transferred to the Escrow Account, and constitutes an irrevocable offer and the same cannot be withdrawn or revised after the Bid/Issue Closing Date. In case of upward revision before the Issue Closing Date, an additional amount shall be required to be deposited towards the Application Amount in the Escrow Account along with the submission of such revised Bid. In case of Bids being made on behalf of the Eligible QIB where the Application Form is unsigned, it shall be assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Application Amount to the Escrow Account, on behalf of the Eligible QIB is authorised to do so. The Bid/Issue Closing Date shall be notified to the Stock Exchanges and the Eligible QIBs shall be deemed to have been given notice of such date after the receipt of the Application Form.

7. The Bidder acknowledges that in accordance with the requirement of the Companies Act, upon Allocation, our Company will be required to disclose the names of proposed Allottees and the percentage of their post Issue shareholding in the Placement Document and consents to such disclosure, if any Equity Shares are allocated to it.

8. Eligible FPIs are required to indicate their SEBI FPI registration number in the Application form. The Bids made by asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the mutual fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made. Application by various schemes or funds of a Mutual Fund will be treated as one application from the Mutual Fund. Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable laws.

9. Upon receipt of the duly completed Application Form and the Application Amount in the Escrow Account, after the Issue Closing Date, our Company shall, in consultation with the Book Running Lead Manager, determine the final terms including the Issue Price, the number of Equity Shares to be issued pursuant to the Issue and the Eligible QIBs to whom the same shall be Allocated. We shall notify the Stock Exchanges of the Issue Price. The Company shall also intimate the Stock Exchanges about the meeting to decide the Issue Price, two working days in advance (excluding the date of the intimation and the date of the meeting). On determining the Issue Price and the Eligible QIBs to whom Allocation shall be made, the Book Running Lead Manager shall, on behalf of our Company, send the CANs along with a serially numbered Placement Document to the Eligible QIBs who have been Allocated Equity Shares either in electronic form or by physical delivery. The dispatch of the CANs shall be deemed a valid, binding, and irrevocable contract for the Eligible QIBs to pay the entire Issue Price for all the Equity Shares Allocated to such Eligible QIB. The CAN shall contain details such as the number of Equity Shares Allocated to the Eligible QIB, Issue Price and the aggregate amount received towards the Equity Shares Allocated and the Refund Amount (if any) due to the Eligible QIBs. **Please note that the Allocation will be at the absolute discretion of our Company, in consultation with the Book Running Lead Manager.**

10. Upon determination of the Issue Price and the issuance of CAN and before Allotment of Equity Shares to the Eligible QIBs, the BRLM shall, on behalf of our Company, send a serially numbered Placement Document (either in electronic form or through physical delivery) to each of the Successful Bidders who have been Allocated Equity Shares pursuant to the dispatch of a serially numbered CAN.

11. Upon dispatch of the serially numbered Placement Document, our Company shall Allot Equity Shares as per the details in the CANs sent to the Successful Bidders. We will inform the Stock Exchanges of the details of the Allotment.

12. After passing the resolution for Allotment, and prior to crediting the Equity Shares into the beneficiary accounts of the Bidders maintained by the depository participant, our Company shall apply to the Stock Exchanges for listing approvals.

13. After receipt of the listing approvals from the Stock Exchanges, our Company shall credit the Equity Shares Allotted pursuant to this Issue into the Depository Participant accounts of the respective Allottee.

14. Our Company shall then apply to Stock Exchanges for the final trading approvals.

15. The Equity Shares that have been credited to the beneficiary account with the Depository Participant of the Eligible QIBs shall be eligible for trading on the Stock Exchanges only upon the receipt of listing and trading approval from Stock Exchanges.

16. As per the applicable laws, the Stock Exchanges will notify upon receipt of the listing and trading approval, which are ordinarily available on their respective websites, and our Company shall communicate the receipt of the listing and trading approvals from the Stock Exchanges to the Eligible QIBs who have received Allotment. Our Company and the Book Running Lead Manager shall not be responsible for any delay or non-receipt of the communication of the listing and trading approvals from the Stock Exchanges or any loss arising from such delay or non-receipt. The listing and trading approval granted by the Stock Exchanges is also placed on their respective websites. Eligible QIBs are advised to apprise themselves of the status of the receipt of the approvals from Stock Exchanges or our Company.

17. A representation that it is outside the United States and is acquiring the Equity Shares in an "*offshore transaction*" as defined in, and in reliance on, Regulation S, is not an affiliate of the Company or the BRLM or a person acting on behalf of such an affiliate and it has agreed to certain other representations set forth in the Application Form.

Qualified Institutional Buyers

Only Eligible QIBs are eligible to invest in the Issue, provided that with respect to FPIs, only Eligible FPIs applying under Schedule II of the FEMA Non-Debt Rules will be considered as Eligible QIBs. FVCIs are not permitted to participate in the Issue. Currently, Eligible QIBs, who are eligible to participate in this Issue and also as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations, are set forth below:

- a foreign portfolio investor other than individuals, corporate bodies and family offices, registered with the Board (i.e. Eligible FPI);

- insurance companies registered with Insurance Regulatory and Development Authority of India;
- insurance funds set up and managed by army, navy or air force of the Union of India;
- insurance funds set up and managed by the Department of Posts, India;
- multilateral and bilateral development financial institutions (which are resident in India);
- mutual funds, venture capital fund, alternative investment fund registered with SEBI;
- pension funds with minimum corpus of ₹ 2,500 lakhs;
- provident funds with minimum corpus of ₹ 2,500 lakhs;
- public financial institutions as defined under Section 2(72) of the Companies Act;
- scheduled commercial banks;
- state industrial development corporations;
- the National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government published in the Gazette of India; and
- systemically important non-banking financial companies.

ELIGIBLE FOREIGN PORTFOLIO INVESTORS ARE PERMITTED TO PARTICIPATE IN THE ISSUE THROUGH THE INVESTMENT SCHEME UNDER SCHEDULE II OF THE FEMA NON-DEBT RULES, SUBJECT TO COMPLIANCE WITH APPLICABLE LAW AND SUCH THAT THE SHAREHOLDING OF THE FOREIGN PORTFOLIO INVESTORS DOES NOT EXCEED SPECIFIED LIMITS AS PRESCRIBED UNDER APPLICABLE LAW IN THIS REGARD.

In terms of the SEBI FPI Regulations, the issue of Equity Shares issued to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s), directly or indirectly, of more than 50% or common control) is not permitted to be 10.00% or above of our post-Issue Equity Share capital. Further, in terms of the FEMA Non-Debt Rules, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company. In case the holding of an FPI including its investor group increases to 10% or more of the total paid-up equity capital, on a fully diluted basis, the FPI including its investor group is required to divest the excess holding within five trading days from the date of settlement of the trades resulting in the breach. In the event that such divestment of excess holding is not done, the total investment made by such FPI together with its investor group will be re-classified as FDI as per procedure specified by SEBI and the FPI and its investor group will be prohibited from making any further portfolio investment in the Company under the SEBI FPI Regulations. However, in accordance with Regulation 22(4) of the SEBI FPI Regulations, the FPIs who are (a) appropriately regulated public retail funds; (b) public retail funds where the majority is owned by appropriately regulated public retail funds on look through basis; or (c) public retail funds and investment managers of such FPIs are appropriately regulated, the aggregation of the investment limits of such FPIs having common control, shall not be applicable. Further, the aggregate permissible limit of all FPIs investments, with effect from April 1, 2020, is the sectoral cap applicable to the sector in which our Company operates.

Eligible FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

In terms of FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

Pursuant to the SEBI Circular dated April 5, 2018 (Circular No: IMD/FPIC/CIR/P/2018/61) ("**SEBI Circular 2018**"), our Company has appointed CDSL as the designated depository to monitor the level of FPI/ NRI shareholding in our Company on a daily basis and once the aggregate foreign investment of a company reaches a cut-off point, as defined under SEBI Circular 2018 red flag shall be activated. The depository is then required to inform the Stock Exchanges about the activation of the red flag. The Stock Exchanges are then required to issue the necessary circulars/ public notifications on their respective websites. Once a red flag is activated, the FPIs must trade cautiously, because in the event that there is a breach of the sectoral cap, the FPIs will be under an obligation to disinvest the excess holding within five trading days from the date of settlement of the trades.

Restriction on Allotment

Under Regulation 179(2)(b) of the SEBI ICDR Regulations, no Allotment shall be made pursuant to the Issue, either directly or indirectly, to any QIB being, our Promoters or any person related to our Promoters. Eligible QIBs which have all or any of the following rights shall be deemed to be persons related to our Promoters:

- rights under a shareholders' agreement or voting agreement entered into with our Promoters or members of our Promoter Group;
- veto rights; or
- a right to appoint any nominee director on our Board.

Provided, however, that a QIB which does not hold any Equity Shares in our Company and which has acquired the aforesaid rights in the capacity of a lender shall not be deemed to be related to our Promoters.

Our Company and the BRLM and any of their respective shareholders, employees, counsels, officers, directors, advisors, representatives, agents or affiliates are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Preliminary Placement Document. Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs are advised to ensure that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Preliminary Placement Document. Further, Eligible QIBs are required to satisfy themselves that their Bids would not eventually result in triggering an open offer under the SEBI Takeover Regulations.

Note: Affiliates or associates of the BRLM who are Eligible QIBs may participate in the Issue in compliance with applicable laws.

Bid Process

Application Form

Eligible QIBs are permitted to only use the serially numbered Application Forms (which is addressed to the QIB) supplied by our Company and the Book Running Lead Manager in either electronic form or by physical delivery for the purpose of making a Bid (including any revision of a Bid) in terms of the Preliminary Placement Document. The Application Form may be signed physically or digitally, if required under applicable law in the relevant jurisdiction applicable to each Eligible QIB and as permitted under such applicable law. An Eligible QIB may submit an unsigned copy of the Application Form, as long as the Application Amount is paid along with submission of the Application Form within the Issue Period, and in such case, it shall be assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Application Amount to the Escrow Account, on behalf of the Eligible QIB is authorised to do so.

By making a Bid (including revisions thereof) for Equity Shares through Application Forms and pursuant to the terms of the Preliminary Placement Document, each Eligible QIB will be deemed to have made the following representations and warranties, acknowledgements and undertakings and under the sections "***Notice to Investors***", "***Representations by Investors***", "***Selling Restrictions***" *and "**Transfer Restrictions***" on pages 1, 3, 274 and 281, respectively:

1. The Eligible QIB confirms that it is a QIB in terms of Regulation 2(1)(ss) of the SEBI ICDR Regulations and is not excluded under Regulation 179(2)(b) of the SEBI ICDR Regulations, has a valid and existing registration under the applicable laws of India and is eligible to participate in the Issue;

2. The Eligible QIB confirms that it is not a promoter of our Company and is not a person related to the promoter of our Company, either directly or indirectly and its Application Form does not directly or indirectly represent the promoter of our Company or Promoter Group or a person related to the promoter of our Company;

3. The Eligible QIB confirms and consents to its name and percentage of post-Issue shareholding (assuming full

subscription in the Issue) will be included as a 'proposed allottee' in the Issue in the Placement Document;

4. The Eligible QIB confirms that in the event it is resident outside India, it is an Eligible FPI, having a valid and existing registration with SEBI under the applicable laws in India and is eligible to invest in India under applicable law, including the FEMA Non-Debt Rules, or a resident multilateral or bilateral development financial institution, and has not been prohibited by SEBI or any other regulatory authority, from buying, selling, dealing in securities or otherwise accessing the capital markets, and is not an FVCI;

5. The Eligible QIB confirms that it has no rights under a shareholders' agreement or voting agreement with the promoter of our Company or persons related to the promoter of our Company, no veto rights or right to appoint any nominee director on the Board of our Company other than such rights acquired in the capacity of a lender (not holding any Equity Shares) which shall not be deemed to be a person related to the promoter of our Company;

6. The Eligible QIB acknowledges that it has no right to withdraw or revise downwards its Bid after the Bid/Issue Closing Date;

7. The Eligible QIB confirms that if Equity Shares are Allotted pursuant to the Issue, it shall not, for a period of one year from Allotment, sell such Equity Shares otherwise than on the floor of the Stock Exchanges;

8. The Eligible QIB confirms that the QIB is eligible to Bid and hold Equity Shares so Allotted and together with any Equity Shares held by the QIB prior to the Issue. The QIB further confirms that its holding of the Equity Shares does not, and shall not, exceed the level permissible as per any applicable regulations applicable to the QIB;

9. The Eligible QIB confirms that the Bids will not eventually result in triggering an open offer under the SEBI Takeover Regulations;

10. The Eligible QIB agrees that, although the Application Amount is required to be paid by it along with the Application Form within the issue Period in terms of provisions of the Companies Act, 2013 and rules made thereunder, our Company reserves the right to Allocate and Allot Equity Shares pursuant to this Issue on a discretionary basis in consultation with the BRLM. The eligible QIB further acknowledges and agrees that the payment of Application Amount does not guarantee Allocation and/or Allotment of Equity Shares Bid for in full or in part.

11. The Eligible QIB acknowledges that in terms of the requirements of the Companies Act, 2013 upon Allocation, our Company will be required to disclose the names of proposed Allottees and the percentage of their post-Issue shareholding in the Placement document and consents to such disclosure, if any Equity Shares are Allocated to it. However, the Eligible QIB further acknowledges and agrees that the disclosure of such details in relation to it in the Placement Document will not guarantee Allotment to it, as Allotment in the Issue shall continue to be at the sole discretion of our Company

12. The Eligible QIB confirms that the number of Equity Shares Allotted to it pursuant to the Issue, together with other Allottees that belong to the same group or are under common control, shall not exceed 50% of the Issue. For the purposes of this representation:

    a. Eligible QIBs "belonging to the same group" shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and independent directors, amongst an Eligible QIB, its subsidiary (ies) or holding company and any other QIB; and

    b. "Control" shall have the same meaning as is assigned to it under Regulation 2(1) of the SEBI Takeover Regulations;

13. The Eligible QIB confirms that:

    a. It is outside the United States and subscribing to the Equity Shares in an "offshore transaction" in reliance upon Regulation S, and is not our affiliate or a person acting on behalf of such an affiliate; and

b. It has agreed to the other representations set forth in the "***Selling Restrictions***" and "***Transfer Restrictions***" on pages 274 and 281, respectively, and the other representations made in the Application Form

14. The Eligible QIB acknowledges that no Allocation shall be made to them if the price at which they have Bid for in the Issue is lower than the Issue Price

15. The Eligible QIB confirms that it, individually or together with its investor group, is not restricted from making further investments in our Company through the portfolio investment route, in terms of Regulation 22(3) of the SEBI FPI Regulations.

16. The Eligible QIBs confirm that they shall not undertake any trade in the Equity Shares credited to its beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India and the FDI Policy, investments where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route.

ELIGIBLE QIBs MUST PROVIDE COMPLETE ADDRESS, PHONE NUMBER, EMAIL ID, BANK ACCOUNT DETAILS, BENEFICIARY ACCOUNT DETAILS, THEIR DEPOSITORY ACCOUNT DETAILS, PAN, THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE APPLICATION FORM. ELIGIBLE QIBs MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD.

IF SO REQUIRED BY THE BOOK RUNNING LEAD MANAGER, THE QIB SUBMITTING A BID, ALONG WITH THE APPLICATION FORM, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO BOOK RUNNING LEAD MANAGER TO EVIDENCE THEIR STATUS AS A "QIB" AS DEFINED HEREINABOVE. IF SO REQUIRED BY THE BOOK RUNNING LEAD MANAGER, THE ESCROW AGENT OR ANY STATUTORY OR REGULATORY AUTHORITY IN THIS REGARD, INCLUDING AFTER BID/ISSUE CLOSING DATE, THE QIB SUBMITTING A BID AND/OR BEING ALLOTTED EQUITY SHARES IN THE ISSUE, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO FULFILL THE KNOW YOUR CUSTOMER (KYC) NORMS.

Demographic details such as address and bank account will be obtained from the Depositories as per the depository Participant account details provided in the Application Form. However, for the purposes of refund of all or part of the Application Amount submitted by the Bidder, the bank details as mentioned in the Application Form from which the Application Amount shall be remitted for the Equity Shares applied for in the Issue, will be considered.

Once a duly completed Application Form is submitted by a Bidder, whether signed or not, the submission of such Application Form and payment of the Application Amount pursuant to the Application Form by a Bidder shall be deemed a valid, binding and irrevocable offer for such Bidder and shall become a binding contract on a Successful Bidder upon issuance of the CAN and the Placement Document (when dispatched) by our Company in favour of the Successful Bidder.

Submission of Application Form

All Application Forms shall be required to be duly completed with information including the name of the QIB, the price and the number of Equity Shares applied, along with a copy of the PAN card or PAN allotment letter. Additionally, the application will include details of the relevant Escrow Account into which the Application Amounts will have to be deposited. The Application Form shall be submitted to the Book Running Lead Manager either through electronic form or through physical delivery at the following addresses:

Name of the Book Running Lead Manager	Address	Contact person	Contact	Email ID
JM Financial Limited	7th Floor, Cnergy Appasaheb Marathe Marg Prabhadevi, Mumbai 400 025 Maharashtra, India	Prachee Dhuri	+91 22 6630 3030	satin.qip@jmfl.com

The Book Running Lead Manager shall not be required to provide any written acknowledgement of the same.

All bidders submitting a Bid in the Issue, shall pay the entire Application Amount within the Issue Period.

Payment of Application Amount

Our Company has opened the Escrow Account, titled "*Satin Creditcare Network Limited – QIP Escrow Account*" with IDFC First Bank Limited, the Escrow Bank, in terms of the arrangement among our Company, the BRLM and the Escrow Bank. Bidders will be required to deposit the entire Application Amount payable for the Equity Shares applied for through the Application Form submitted by it in accordance with the applicable laws.

Note: Payments are to be made only through electronic fund transfer.

Payments through cheque or demand draft or cash shall be rejected.

If the payment is not made favouring the Escrow Account within the Issue Period stipulated in the Application Form, the Application Form of the QIB is liable to be cancelled.

Pending Allotment, our Company undertakes to utilise the amount deposited in the Escrow Account only for the purposes of (i) adjustment against Allotment of Equity Shares in the Issue; or (ii) refund of Application Amount if our Company is not able to Allot Equity Shares in the Issue. Notwithstanding the above, in the event a Bidder is not Allocated Equity Shares in the Issue, or the number of Equity Shares Allocated to a Bidder, is lower than the number of Equity Shares applied for through the Application Form and towards which Application Amount has been paid by such Bidder, the excess Application Amount will be refunded to the same bank account from which Application Amount was remitted, in the form and manner set out in "**- *Refunds***" below on page 270.

Permanent Account Number or PAN

Each QIB should mention its Permanent Account Number ("**PAN**") allotted under the IT Act. **The copy of the PAN card is required to be submitted with the Application Form.** Bids without this information will be considered incomplete and is liable to be rejected. It is to be specifically noted that applicant should not submit the GIR number instead of the PAN as the Application Form is liable to be rejected on this ground.

Bank Account Details

Each QIB shall mention the details of the bank account from which the payment has been made along with a confirmation that the payment has been made from such account.

Pricing and Allocation

Price discovery and Allocation

There is a minimum pricing requirement under the SEBI Regulations. The Floor Price shall not be less than the average of the weekly high and low of the closing prices of the Securities quoted on the stock exchange during the two weeks preceding the Relevant Date.

Our Company, in consultation with the BRLM, shall determine the Issue Price, which shall be at or above the Floor Price. However, our Company, in consultation with the BRLM, may offer a discount of not more than 5% on the Floor Price in terms of Regulation 176 of the SEBI ICDR Regulations as approved by our Shareholders pursuant to a resolution passed on November 27, 2023.

After finalisation of the Issue Price, our Company shall update this Preliminary Placement Document with the Issue details and file the same with the Stock Exchanges as the Placement Document.

Build-up of the book

The Eligible QIBs shall submit their Bids (including the revision thereof) through the Application Form within the Bidding Period to the Book Running Lead Manager. Such Bids cannot be withdrawn after the Bid/Issue Closing Date. The book shall be maintained by the Book Running Lead Manager.

Method of Allocation

Our Company shall determine the Allocation in consultation with the Book Running Lead Manager on a discretionary basis and in compliance with Chapter VI of the SEBI ICDR Regulations.

Bids received from the Eligible QIBs at or above the Issue Price shall be grouped together to determine the total demand. The Allocation to all such Eligible QIBs will be made at the Issue Price. Allocation shall be decided by us in consultation with the Book Running Lead Manager on a discretionary basis. Allocation to Mutual Funds for up to a minimum of 10% of the Issue Size shall be undertaken subject to valid Application Form being received at or above the Issue Price.

THE DECISION OF OUR COMPANY, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER, IN RESPECT OF ALLOCATION SHALL BE FINAL AND BINDING ON ALL ELIGIBLE QIBs. ELIGIBLE QIBs MAY NOTE THAT ALLOCATION OF EQUITY SHARES IS AT THE SOLE AND ABSOLUTE DISCRETION OF OUR COMPANY, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER, AND QIBs MAY NOT RECEIVE ANY ALLOCATION EVEN IF THEY HAVE SUBMITTED VALID APPLICATION FORMS AT OR ABOVE THE ISSUE PRICE. NEITHER OUR COMPANY NOR THE BOOK RUNNING LEAD MANAGER ARE OBLIGED TO ASSIGN ANY REASONS FOR SUCH NON-ALLOCATION.

Confirmation Allocation Note or CAN

Based on the Application Forms received, our Company, in consultation with the Book Running Lead Manager, shall, in its sole and absolute discretion, decide the list of Eligible QIBs to whom the serially numbered CAN shall be sent, pursuant to which the details of the Equity Shares Allocated to them and the details of the amounts payable for Allotment of the same in their respective names shall be notified to such Eligible QIBs. Additionally, the CAN would include details of Escrow Account into which such payments would need to be made, Pay-In Date as well as the probable designated date ("**Designated Date**"), being the date of credit of the Equity Shares to the QIB's account, as applicable to the respective Eligible QIBs.

The Eligible QIBs would also be sent a serially numbered Placement Document either in electronic form or by physical delivery along with the serially numbered CAN.

The dispatch of the serially numbered Placement Document and the serially numbered CAN to the QIB shall be deemed a valid, binding and irrevocable contract for the QIB to furnish all details that may be required by the Book Running Lead Manager and our Company and to pay the entire Issue Price for all the Equity Shares Allocated to such QIB.

ELIGIBLE QIBs ARE ADVISED TO INSTRUCT THEIR DEPOSITORY PARTICIPANT TO ACCEPT THE EQUITY SHARES THAT MAY BE ALLOCATED / ALLOTTED TO THEM PURSUANT TO THE ISSUE.

By submitting the Application form, the Eligible QIB would be deemed to have made the representations and warranties as specified in "***Notice to Investors***" on page 1 and such Eligible QIB shall not undertake any trade on the Equity Shares credited to its Depository Participant account pursuant to the issue until such time as the final listing and trading approval is issued by the Stock Exchanges.

Designated Date and Allotment of Equity Shares

The Equity Shares in the Issue will be issued and Allotment shall be made only in dematerialised form to the Allottees. Allottees will have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act, 2013 and the Depositories Act. However, no transfer in physical form is permitted as per Regulation 40 of the SEBI Listing Regulations.

Our Company, at its sole discretion, reserves the right to cancel the Issue at any time up to Allotment without assigning any reason whatsoever.

Following the Allotment and credit of Equity Shares pursuant to the Issue into the Eligible QIBs' beneficiary accounts maintained with the Depository Participant, our Company will apply for final trading and listing approvals from the Stock Exchanges.

Pursuant to a circular dated March 5, 2010 issued by the SEBI, Stock Exchanges are required to make available on their websites the details of those Allottees in Issue who have been allotted more than 5% of the Equity Shares offered in this Issue, viz, the names of the Allottees, and number of Equity Shares Allotted to each of them, pre and post Issue shareholding pattern of our Company along with the Placement Document. Our Company shall make the requisite filings with the RoC within the stipulated period as required under the Companies Act, 2013 and the PAS Rules. Further, as required in terms of the PAS Rules, names of the proposed Allottees, and the percentage of their post-Issue shareholding in our Company is required to be disclosed in the Placement Document.

The Escrow Bank shall release the monies lying to the credit of the Escrow Account to our company upon receipt of notice from the BRLM and the trading and listing approvals of the Stock Exchanges for Equity Shares offered in the Issue and after filing return of Allotment under Form PAS-3 with the RoC. After finalization of the Issue Price, our Company shall update this Preliminary Placement Document with the Issue details and file the same with the Stock Exchanges as the Placement Document.

Refunds

In the event that the number of Equity Shares Allocated to a Successful Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Application Amount has been paid by such Successful Bidder, or the Application Amount paid by a Successful Bidder is in excess of the amount equivalent to the product of the Equity Shares that have been Allocated to such Successful Bidder and the Issue Price, or a Bidder does not receive any Allocation in the Issue, or a Bidder withdraws the Application Form prior to the Issue Closing Date, or the Issue is cancelled prior to Allocation, the excess Application Amount paid by such Successful Bidder will be refunded to the same bank account from which the Application Amount was remitted, in the form and manner set out in the refund intimation issued to such Successful Bidder. The Refund Amount will be transferred to the relevant Successful Bidders within two Working Days from the date of issuance of the CAN.

In the event that Equity Shares have been Allocated to Successful Bidders and our Company is unable to issue and Allot the Equity Shares offered in the Issue within 60 days from the date of receipt of the Application Amount, or the Issue is cancelled post Allocation, or where our Company has Allotted the Equity Shares but final listing and trading approvals are refused by the Stock Exchanges, our Company shall repay the Application Amount within 15 days from expiry of 60 days or such other time period as applicable under applicable law, failing which our Company shall repay that money with interest at such rate and in such manner as prescribed under the Companies Act, 2013.

Other Instructions

Right to Reject Bids

Our Company, in consultation with the Book Running Lead Manager, may reject Bids, in part or in full, without assigning any reasons whatsoever. The decision of our Company and the Book Running Lead Manager in relation to the rejection of Bids shall be final and binding. In the event the Bid is rejected by our Company, the Application Amount paid by the bidder shall be refunded to the same bank account from which the Application Amount was remitted by such Bidder. For details, see "***- Bid Process***" and "***-Refunds***" on pages 265, and 270, respectively.

Equity Shares in dematerialised form with NSDL or CDSL

1. The Allotment of the Equity Shares in the Issue shall be only in dematerialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).

2. A QIB applying for Equity Shares must have at least one beneficiary account with a Depository Participant of either NSDL or CDSL prior to making the Bid.

3. Allotment to a successful QIB will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the QIB.

4. Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchanges have electronic connectivity with NSDL and CDSL.

5. The trading of the Equity Shares would be in dematerialised form only for all Eligible QIBs in the respective demat segment of the Stock Exchanges.

6. Our Company and the Book Running Lead Manager shall not be responsible or liable for the delay in the credit of the Equity Shares to be issued pursuant to the Issue due to errors in the Application Forms or on part of the Eligible QIBs.

PLACEMENT AND LOCK-UP

No assurance can be given as to the liquidity or sustainability of the trading market for the Equity Shares, the ability of holders of the Equity Shares to sell their Equity Shares or the price at which holders of the Equity Shares will be able to sell their Equity Shares

Placement Agreement

The Book Running Lead Manager and the Company have entered into a placement agreement dated December 14, 2023 (the "**Placement Agreement**"), pursuant to which the Book Running Lead Manager has agreed, subject to certain conditions, to use its reasonable efforts to procure Eligible QIBs to subscribe to such number of our Equity Shares as may be agreed among the Company and Book Running Lead Manager, pursuant to Chapter VI of the SEBI ICDR Regulations, the Companies Act, 2013, read with the PAS Rules, as amended and other applicable provisions of the Companies Act, 2013, and the rules made thereunder

The Placement Agreement contains customary representations, warranties and indemnities from our Company and the Book Running Lead Manager, and it is subject to termination in accordance with the terms contained therein.

Applications shall be made to list the Equity Shares issued pursuant to the Issue and admit them to trading on the Stock Exchanges. No assurance can be given as to the liquidity or sustainability of the trading market for such Equity Shares, the ability of holders of the Equity Shares to sell their Equity Shares or the price at which holders of the Equity Shares will be able to sell their Equity Shares.

The Equity Shares offered in the Issue have not been and will not be registered under the Securities Act, or the securities laws of any state of the United States and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any applicable state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in "offshore transactions", as defined in and in reliance on Regulation S and the applicable laws of the jurisdiction where those offers and sales are made.

This Preliminary Placement Document has not been, and will not be, registered as a prospectus with the RoC and, no Equity Shares will be offered in India or overseas to the public or any members of the public in India or any other class of investors, other than to Eligible QIBs.

In connection with the Issue, the Book Running Lead Manager or their affiliates may, for their own account, subscribe to the Equity Shares or enter into asset swaps, credit derivatives or other derivative transactions relating to the Equity Shares to be issued pursuant to the Issue at the same time as the offer and sale of the Equity Shares, or in secondary market transactions. As a result of such transactions, the Book Running Lead Manager may hold long or short positions in such Equity Shares. These transactions may comprise a substantial portion of the Issue and no specific disclosure will be made of such positions. Affiliates of the Book Running Lead Manager may purchase Equity Shares and be Allotted Equity Shares for proprietary purposes and not with a view to distribute or in connection with the issuance of P-Notes. For further details, see "***Offshore Derivative Instruments***" on page 9.

From time to time, the Book Running Lead Manager and their affiliates have engaged in or may in the future engage in transactions with and perform services including but not limited to investment banking, advisory, banking, trading services for our Company, its Subsidiaries, affiliates and the shareholders, as well as to their respective associates and affiliates, pursuant to which fees and commissions have been paid or will be paid to the Book Running Lead Manager and their affiliates and associates.

Lock-up

The Company undertakes that it will not for a period of 90 days from the date of Allotment under the Issue, without the prior written consent of the Book Running Lead Manager, directly or indirectly, (a) issue, offer, lend, pledge, sell, contract to sell or issue, sell any option or contract to purchase, purchase any option or contract to sell or issue, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, any Equity Shares, or any securities convertible into or exercisable or exchangeable for Equity Share (b) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of Equity Shares; or (c) publicly announce any intention to enter into any transaction described in (a) or (b) above, whether any such transaction described in (a) or (b) above is to be settled by delivery of Equity Shares, or such other securities, in cash or otherwise, however, the foregoing restriction shall not be applicable to the (i) the issuance of the Equity Shares pursuant to the Issue; (ii) issuance of non-convertible debentures, commercial paper, debt securities, direct assignment, pass through certificate and other debt instruments; and (iii) any transaction required by law or an order of a court of law or a statutory authority.

Our Promoters and each member of the Promoter Group has undertaken that it will not for a period of 90 days from the date of Allotment under the Issue, without the prior written consent of the Book Running Lead Manager, directly or indirectly: (a) sell, lend, contract to sell, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any Equity Shares, or any securities convertible into or exercisable or exchangeable for Equity Shares or publicly announce an intention with respect to any of the foregoing; (b) enter into any swap or other agreement that transfers, directly or indirectly, in whole or in part, any of the economic consequences of ownership of Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares; (c) sell, lend, contract to sell, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any shares or interest in an entity which holds any Equity Shares; or (d) publicly announce any intention to enter into any transaction whether any such transaction described in (a), (b) or (c) above is to be settled by delivery of Equity Shares, or such other securities, in cash or otherwise, or enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of an issue or offer or deposit of Equity Shares in any depositary receipt facility or publicly announce any intention to enter into any transaction falling within (a) to (c) above.

SELLING RESTRICTIONS

General

The Issue is being made only to Eligible QIBs. The distribution of this Preliminary Placement Document and the offer and sale of the Equity Shares offered in the Issue is restricted by law in certain jurisdictions. No action has been taken or will be taken that would permit the offer and sale of the Equity Shares offered in the Issue to occur in any jurisdiction other than India, or the possession, circulation or distribution of this Preliminary Placement Document or any other material relating to the Issue in any jurisdiction where action for such purpose is required, except in India. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Preliminary Placement Document nor any offering materials or advertisements in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. Therefore, persons who may come into possession of this Preliminary Placement Document are advised to consult with their own legal advisors as to what restrictions may be applicable to them and to observe such restrictions.

Each purchaser of the Equity Shares in this Issue will be deemed to have made the representations, warranties, acknowledgments and agreements as described in this section and under "***Notice to Investors***", "***Representations by Investors***" and "***Transfer Restrictions***" on pages 1, 3, and 281, respectively.

Australia

This Preliminary Placement Document does not constitute a prospectus or other disclosure document under the Corporations Act 2001 (Cth) ("**Australian Corporations Act**") and does not purport to include the information required of a prospectus or disclosure document under the Australian Corporations Act. This Preliminary Placement Document has not been lodged with the Australian Securities and Investments Commission ("**ASIC**") and no steps have been taken to lodge it with ASIC. No offer will be made under this Preliminary Placement Document to any person to whom disclosure is required to be made under Chapter 6D of the Australian Corporations Act. Any offer in Australia of the Equity Shares under this Preliminary Placement Document may only be made to persons who are "sophisticated investors" (within the meaning of section 708(8) of the Australian Corporations Act), "professional investors" (within the meaning of section 708(11) of the Australian Corporations Act) or otherwise pursuant to one or more exemptions under section 708 of the Australian Corporations Act which permit the offer of the Equity Shares without disclosure under Part 6D.2 of the Australian Corporations Act.

As any offer of Equity Shares under this Preliminary Placement Document will be made without disclosure in Australia under Chapter 6D.2 of the Australian Corporations Act, the offer of those securities for resale in Australia within 12 months may, under section 707 of the Australian Corporations Act, require disclosure to investors under Chapter 6D.2 if none of the exemptions in section 708 applies to that resale. By applying for the Equity Shares you undertake to the Company that you will not, for a period of 12 months from the date of issue of the Equity Shares, offer, transfer, assign or otherwise alienate those securities to any person in Australia except in circumstances where disclosure to such person is not required under Chapter 6D.2 of the Australian Corporations Act or where a compliant disclosure document is prepared and lodged with ASIC.

Republic of India

This Preliminary Placement Document may not be distributed, directly or indirectly, in India or to residents of India and any Equity Shares may not be offered or sold, directly or indirectly, in India to, or for the account or benefit of, any resident of India except as permitted by applicable Indian laws and regulations, under which an offer is strictly on a private and confidential basis and is limited to Eligible QIBs and is not an offer to the public. This Preliminary Placement Document is neither a public issue nor a prospectus under the Companies Act or an advertisement and should not be circulated to any person other than to whom the offer is made.

Bahrain

All marketing and offering of the Equity Shares in the Issue has been made and will be made outside the Kingdom of Bahrain. This Preliminary Placement Document and the Equity Shares that shall be offered pursuant to this Preliminary Placement Document have not been registered, filed, approved or licensed by the Central Bank of Bahrain ("**CBB**"), the Bahrain Bourse, the Ministry of Industry, Commerce and Tourism ("**MOICT**") or any other relevant licensing authorities in the Kingdom of

Bahrain.

The CBB, the Bahrain Bourse and the MOICT of the Kingdom of Bahrain takes no responsibility for the accuracy of the statements and information contained in this Preliminary Placement Document, nor shall they have any liability to any person, investor or otherwise for any loss or damage resulting from reliance on any statements or information contained herein. This Preliminary Placement Document is only intended for Accredited Investors as defined by the CBB and the Equity Shares offered by way of private placement may only be offered in minimum subscriptions of USD 100,000 (or equivalent in other currencies). No invitation to the public in the Kingdom of Bahrain to subscribe to the Equity Shares is being made and this Preliminary Placement Document will not be issued to, passed to, or made available to the public generally in the Kingdom of Bahrain. The CBB has not reviewed, nor has it approved this Preliminary Placement Document and any related offering documents or the marketing thereof in the Kingdom of Bahrain. The CBB is not and will not be responsible for the performance of the equity Shares.

Dubai International Financial Centre

This Preliminary Placement Document relates to an Exempt Offer in accordance with the Markets Rules Module of the Dubai Financial Services Authority ("**DFSA**") Rulebook. This Preliminary Placement Document is intended for distribution only to persons of a type specified in the Markets Rules Module. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this Preliminary Placement Document nor taken steps to verify the information set forth herein and has no responsibility for this Preliminary Placement Document. The securities to which this Preliminary Placement Document relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the securities offered should conduct their own due diligence on the securities. If you do not understand the contents of this Preliminary Placement Document you should consult an authorized financial advisor.

In relation to its use in the DIFC, this Preliminary Placement Document is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. The interests in the securities may not be offered or sold directly or indirectly to the public in the DIFC.

European Economic Area

In relation to each Member State of the European Economic Area (each a "**Member State**"), no Equity Shares have been offered or will be offered pursuant to the Issue to the public in that Member State prior to the publication of a prospectus in relation to the Equity Shares which has been approved by the competent authority in that Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Member State, all in accordance with the Prospectus Regulation), except that offers of Equity Shares may be made to the public in that Member State at any time under the following exemptions under the Prospectus Regulation:

- to any legal entity which is a qualified investor as defined under the Prospectus Regulation;
- to fewer than 150 natural or legal persons (other than qualified investors as defined under the Prospectus Regulation), subject to obtaining the prior consent of Book Running Lead Manager for any such offer; or
- in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Equity Shares shall result in a requirement for the publication by the Bank or the BRLM of a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this section, the expression an "offer of Equity Shares to the public" in relation to any Equity Shares in any Relevant State means a communication to persons in any form and by any means presenting sufficient information on the terms of the offer and the Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Equity Shares.

Except for each person who is not a qualified investor and who has notified the BRLM of such fact in writing and has received the consent of the BRLM in writing to subscribe for or purchase Equity Shares in the Issue, each person in a Relevant State who acquires Equity Shares in the Issue or to whom any offer is made shall be deemed to have represented that it is a "qualified investor" as defined in the Prospectus Regulation.

In the case of any Equity Shares being offered to a financial intermediary, as that term is used in Article 5 of the Prospectus Regulation, such financial intermediary will also be deemed to have represented, acknowledged and agreed that the Equity Shares subscribed for or acquired by it in the Issue have not been subscribed for or acquired on a non-discretionary basis on behalf of, nor have they been subscribed for or acquired with a view to their offer or resale to persons in circumstances which may give rise to an offer of any Equity Shares to the public other than their offer or resale in a Relevant State to qualified investors (as so defined) or in circumstances in which the prior consent of the BRLM has been obtained to each such proposed offer or resale.

Our Company, the BRLM and their affiliates and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements.

Hong Kong

The Equity Shares have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document, other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "**SFO**") and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C(WUMP)O**") or which do not constitute an offer to the public within the meaning of the C(WUMP)O.

No advertisement, invitation or document relating to the Equity Shares, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Equity Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO has been or will be issued, whether in Hong Kong or elsewhere.

Japan

No securities registration statement in relation to the solicitations of the Equity Shares offered in the Issue in Japan (the "**Solicitations**") has been or will be filed pursuant to Article 4, Paragraph 1 of the Financial Instrument and Exchange Law of Japan (the "**FIEL**"). The Solicitations shall only be made (i) to Qualified Institutional Investors and (ii) to no more than 49 persons (excluding any Qualified Institutional Investors) during the six-month period prior to the contemplated date of the allotment of the Equity Shares in the Issue.

Any Qualified Institutional Investors who acquire Equity Shares in the Issue (a) may not, directly or indirectly, resell, assign, transfer, or otherwise dispose of the Equity Shares to any person in Japan or to or for the benefit of any resident of Japan, including any corporation or other entity organised under the laws of Japan, except to Qualified Institutional Investors; and (b) shall deliver a notification indicating (a) and (b) herein to any transferee of the Equity Shares. Capitalized terms used in this sub-section and not defined in this Preliminary Placement Document have the meanings given to those terms in the FIEL.

Republic of Korea

No securities registration statement in relation to the Solicitations (as defined under Financial Investment Services and Capital Markets Act of the Republic of Korea ("**South Korea**") (the "**FISCMA**")) of the Equity Shares offered in the Issue in South Korea has been or will be filed pursuant to the FISCMA. The Solicitations shall only be made (i) to certain professionals as prescribed in the FISCMA and the enforcement decree promulgated thereunder ("Professional Investors") and (ii) to no more than 49 persons (excluding any Professional Investors) during the six-month period prior to the contemplated date of the allotment of the Equity Shares in the Issue. Furthermore, the Equity Shares may not be offered, sold, transferred or delivered for reoffering or resale, directly or indirectly, in South Korea or to, or for the account or benefit of, any resident (as defined under the Foreign Exchange Transactions Act of South Korea and the decree, rules and regulations promulgated thereunder) thereof for a period of one year from the date of the issuance of the Equity Shares, except as otherwise permitted under applicable South Korean laws and regulations.

Kuwait

This document and does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy, the Equity Shares in the State of Kuwait. The Equity Shares have not been licensed for offering, promotion, marketing, advertisement or sale in the State of Kuwait by the Capital Markets Authority or any other relevant Kuwaiti government agency. The offering, promotion, marketing, advertisement or sale of the Equity Shares in State of Kuwait on the basis of a private placement or public offering is, therefore, prohibited in accordance with Law No. 7 of 2010 and the Executive Bylaws for Law No. 7 of 2010, as amended, which govern the issue, offer, marketing and sale of financial services/products in the State of Kuwait. No private or public offering of the Equity Shares is or will be made in the State of Kuwait, and no agreement relating to the sale of the Equity Shares will be concluded in the State of Kuwait and no marketing or solicitation or inducement activities are being used to offer or market the Equity Shares in the State of Kuwait.

Malaysia

No approval from the Securities Commission of Malaysia has been applied for or will be obtained for the offer or invitation in respect of the Issue under the Capital Markets and Services Act 2007. Neither has a prospectus been nor will be registered with the Securities Commission of Malaysia in connection with the Issue in Malaysia. Accordingly, this Preliminary Placement Document or any amendment or supplement hereto or any other offering document in relation to the Issue may not be distributed in Malaysia directly or indirectly for the purpose of any offer of the Equity Shares. The Equity Shares may not be offered or sold in Malaysia except pursuant to, and to persons prescribed under, Part I of Schedule 6 of the Malaysian Capital Markets and Services Act and no person may offer for subscription or purchase any of the Equity Shares directly or indirectly to anyone in Malaysia.

Mauritius

The public of the republic of Mauritius is not invited to subscribe for the interests offered hereby. This memorandum relates to a private placement and does not constitute an offer to the public in Mauritius to subscribe for the interests offered hereby. The interests are only being offered to a limited number of sophisticated investors meeting the eligibility criteria. No regulatory approval has been sought for the offer in Mauritius and it must be distinctly understood that the Mauritius financial services commission does not accept any responsibility for the financial soundness of or any representations made in connection with the issue. The memorandum is for the use only of the named addressee and should not be given or shown to any other person.

Qatar (excluding the Qatar Financial Centre)

This Preliminary Placement Document did not, and was not intended to, constitute an invitation or an offer of securities in the State of Qatar (including the Qatar Financial Centre) and accordingly should not be construed as such. The Equity Shares have not been, and shall not be, offered, sold or delivered at any time, directly or indirectly, in the State of Qatar. Any offering of the Equity Shares shall not constitute a public offer of securities in the State of Qatar.

By receiving this document, the person or entity to whom it has been provided to understands, acknowledges and agrees that: (a) neither this Preliminary Placement Document nor the Equity Shares have been registered, considered, authorised or approved by the Qatar Central Bank, the Qatar Financial Markets Authority, the Qatar Financial Centre Regulatory Authority or any other authority or agency in the State of Qatar; (b) neither the Company nor BRLM are authorised or licensed by the Qatar Central Bank, the Qatar Financial Markets Authority, the Qatar Financial Centre Regulatory Authority, or any other authority or agency in the State of Qatar, to market or sell the Equity Shares within the State of Qatar; (c) this Preliminary Placement Document may not be provided to any person other than the original recipient and is not for general circulation in the State of Qatar; and (d) no agreement relating to the sale of the Equity Shares shall be consummated within the State of Qatar.

No marketing of the Equity Shares ”as b’en or will be made from within the State of Qatar and no subscription to the Equity Shares may or will be consummated within the State of Qatar. Any applications to invest in the Equity Shares shall be received from outside of Qatar. This Preliminary Placement Document shall not form the basis of, or be relied on in connection with, any contract in Qatar. The persons representing BRLM are, by distributing this document, not advising individuals resident in the State of Qatar as to the appropriateness of investing in or purchasing or selling securities or other financial products. Nothing contained in this Preliminary Placement Document is intended to constitute investment, legal, tax, accounting or other professional advice in, or in respect of, the State of Qatar.

Qatar Financial Centre

This Preliminary Placement Document does not, and is not intended to, constitute an invitation or offer of Equity Shares from or within the Qatar Financial Centre ("**QFC**"), and accordingly should not be construed as such. This Preliminary Placement Document has not been reviewed or approved by or registered with the Qatar Financial Centre Authority, the Qatar Financial Centre Regulatory Authority or any other competent legal body in the QFC. This Preliminary Placement Document is strictly private and confidential, and may not be reproduced or used for any other purpose, nor provided to any person other than the recipient thereof. Our Company has not been approved or licenced by or registered with any licensing authorities within the QFC.

Saudi Arabia

This Preliminary Placement Document may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Rules on the Offer of Securities and Continuing Obligations issued by the Capital Market Authority ("**CMA**"). The CMA does not make any representation as to the accuracy or completeness of this Preliminary Placement Document and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Preliminary Placement Document. Prospective purchasers of the Equity Shares offered hereby should conduct their own due diligence on the accuracy of the information relating to the Equity Shares. If you do not understand the contents of this Preliminary Placement Document, you should consult an authorised financial adviser.

Singapore

This Preliminary Placement Document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Preliminary Placement Document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Equity Shares may not be circulated or distributed, nor may the Equity Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**"), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Equity Shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

i. a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

ii. a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Equity Shares pursuant to an offer made under Section 275 of the SFA except:

(a) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(b) where no consideration is or will be given for the transfer;

(c) where the transfer is by operation of law;

(d) as specified in Section 276(7) of the SFA; or

(e) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Notification under Sections 309B(1)(a) and 309B(1)(c) of the SFA: We have determined, and hereby notify all relevant persons (as defined in Section 309A of the SFA) that the Equity Shares are: (A) prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and (B) Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment: Notice on Recommendations on Investment Products).

Singapore SFA Product Classification: In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), the Company has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Equity Shares are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Sultanate of Oman

The information contained in this Preliminary Placement Document does not constitute a public offer of securities in Oman as contemplated by the Oman Commercial Companies Law (Sultani Decree 18/2019, as amended) or Article 3 of the Capital Market Authority Law (Sultani Decree 80/98, as amended). This Preliminary Placement Document will only be made available to investors in Oman in accordance with the provisions of Article 139 of the Executive Regulations of the Capital Markets Law (Capital Markets Law Decision No. 1/2009, as amended) (the "**Executive Regulations**") by an entity duly licenced by the Capital Market Authority of Oman to market non-Omani securities in Oman.

This Preliminary Placement Document is strictly private and confidential. It is being provided to a limited number of sophisticated investors solely to enable them to decide whether or not to invest in the Equity Shares outside of Oman, upon the terms and subject to the restrictions set out herein and may not be reproduced or used for any other purpose or provided to any person other than the original recipient. Additionally, this Preliminary Placement Document is not intended to lead to the making of any contract within the territory or under the laws of Oman.

This Preliminary Placement Document has not been (and will not be) filed with the Capital Market Authority of Oman (except in accordance with Article 139 of the Executive Regulations) or any other regulatory authority in Oman and the Capital Market Authority of Oman neither assumes responsibility for the accuracy and adequacy of the statements and information contained in this Preliminary Placement Document nor shall have any liability to any person for damage or loss resulting from reliance on any statements or information contained herein.

Switzerland

The Equity Shares may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act ("**FinSA**") and no application has or will be made to admit the Equity Shares to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this Preliminary Placement Document nor any other offering or marketing material relating to the Equity Shares constitutes a prospectus pursuant to the FinSA, and neither this Preliminary Placement Document nor any other offering or marketing material relating to the Equity Shares may be publicly distributed or otherwise made publicly available in Switzerland.

The Equity Shares may, however, be offered in Switzerland to professional clients within the meaning of the FinSA, without any public offer and only to investors who do not purchase the Equity Shares with the intention to distribute them to the public. The investors will be individually approached from time to time. This Preliminary Placement Document may only be used by those investors to whom it has been handed out in connection with the Offer described herein and may neither directly nor indirectly be distributed or made available to other persons without our express consent.

United Arab Emirates (excluding the Dubai International Financial Centre)

This Preliminary Placement Document does not constitute or contain an offer of securities to the general public in the UAE. No offering, marketing, promotion, advertising or distribution (together, "**Promotion**") of this document or the Equity Shares may be made to the general public in the United Arab Emirates (the "**UAE**") unless: (a) such Promotion has been approved by the UAE Securities and Commodities Authority (the "**SCA**") and is made in accordance with the laws and regulations of the UAE, including SCA Board of Directors' Chairman Decision no. (3/R.M.) of 2017 (the "**Promotion and Introduction Regulations**"), and is made by an entity duly licensed to conduct such Promotion activities in the UAE; or (b) such Promotion is conducted by way of private placement made: (i) only to "Qualified Investors" (excluding "**High Net Worth Individuals**") (as such terms are defined in the Promotion and Introduction Regulations); or (ii) otherwise in accordance with the laws and regulations of the UAE; or (c) such Promotion is carried out by way of reverse solicitation only upon an initiative made in writing by an investor in the UAE.

The Promotion of this Preliminary Placement Document and the Equity Shares has not been and will not be approved by the SCA and, as such, this Preliminary Placement Document does not constitute an offer to the general public in the UAE to acquire any Equity Shares. Except where the Promotion of this Preliminary Placement Document and the Equity Shares is carried out by way of reverse solicitation only upon an initiative made in writing by an investor in the UAE, the Promotion of this Preliminary Placement Document and the Equity Shares in the UAE is being made only to Qualified Investors who are not High Net Worth Individuals (as such terms are defined in the Promotion and Introduction Regulations).

None of the SCA, the UAE Central Bank, the UAE Ministry of Economy or any other regulatory authority in the UAE has reviewed or approved the contents of this document nor does any such entity accept any liability for the contents of this document.

United Kingdom

No Shares have been offered or will be offered pursuant to the Offering to the public in the United Kingdom prior to the publication of a prospectus in relation to the Shares which is to be treated as if it had been approved by the Financial Conduct Authority in accordance with the transitional provisions in Article 74 (transitional provisions) of the Prospectus Amendment etc (EU Exit) Regulations 2019/1234, except that it may make an offer to the public in the United Kingdom of any Shares at any time:

(a) to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;
(b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of the BRLM for any such offer; or
(c) in any other circumstances falling within Article 1(4) of the UK Prospectus Regulation,

provided that no such offer of the Shares shall require the Company or any BRLM to publish a prospectus pursuant to Article 3 of the UK Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation. For the purposes of this provision, the expression an “offer to the public” in relation to the Shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Shares and the expression “UK Prospectus Regulation” means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

The Preliminary Placement Document may not be distributed or circulated to any person in the United Kingdom other than to (i) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “Financial Promotion Order”); and (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Financial Promotion Order (all such persons together being referred to as “relevant persons”). The Preliminary Placement Document is directed only at relevant persons. Other persons should not act on the Preliminary Placement Document or any of its contents. The Preliminary Placement Document is confidential and is being supplied to you solely for your information and may not be reproduced, redistributed or passed on to any other person or published, in whole or in part, for any other purpose.

United States of America

The Equity Shares have not been and will not be registered under the Securities Act, or the securities laws of any state of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in ‘offshore transactions’ (as defined in Regulation S) in reliance on Regulations S and the applicable laws of the jurisdiction where those offers and sales are made. For further information, see “***Transfer Restrictions – Purchaser Representations and Transfer Restrictions***” on page 281.

Other Jurisdictions

The distribution of this Preliminary Placement Document and the offer and sale of the Equity Shares may be restricted by law in certain jurisdictions. Persons into whose possession this Preliminary Placement Document comes are required to inform themselves about, and to observe, any such restrictions to the extent applicable.

TRANSFER RESTRICTIONS

Allottees are not permitted to sell the Equity Shares for a period of one year from the date of Allotment except through the Stock Exchanges. In addition to the above, allotments made to Eligible QIBs, including FVCIs, VCFs and AIFs in the Issue, may be subject to lock-in requirements, if any, under the rules and regulations that are applicable to them. Accordingly, purchasers are advised to consult their own legal counsel prior to making any offer, re-sale, pledge or transfer of the Equity Shares.

Purchaser Representations and Transfer Restrictions

The Equity Shares have not been and will not be registered under the Securities Act and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws.

By accepting delivery of this Preliminary Placement Document, submitting a bid to purchase Equity Shares and/or accepting delivery of any Equity Shares, you will be deemed to have represented and agreed as follows:

- It is authorised to consummate the purchase of the Equity Shares in compliance with all applicable laws and regulations.

- It acknowledges (or if it is a broker-dealer acting on behalf of a customer, its customer has confirmed to it that such customer acknowledges) that the Equity Shares are being issued in reliance upon Regulation S and such Equity Shares have not been and will not be registered under the Securities Act.

- It certifies that either (A) it is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares, is located outside the United States (within the meaning of Regulation S), and it has not purchased the Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or an economic interest therein to any person in the United States, or (B) it is a broker-dealer acting on behalf of its customer and its customer has confirmed to it that (i) such customer is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares, and (ii) such customer is located outside the United States (within the meaning of Regulation S), and such customer has not purchased the Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or an economic interest therein to any person in the United States.

- It is aware of the restrictions of the offer, sale and resale of the Equity Shares pursuant to Regulation S.

- It agrees (or it is a broker-deal acting on behalf of a customer that has confirmed to it that such customer agrees) that neither it, nor any of its affiliates, nor any person acting on its behalf, will make any "directed selling efforts" as defined in Regulation S. It acknowledges and agrees that it is not purchasing any Equity Shares as a result of any "directed selling efforts" as defined in Regulation S.

- It understands that the Equity Shares are being offered in a transaction not involving any public offering in the United States within the meaning of the Securities Act, that the Equity Shares have not been and will not be registered under the Securities Act and that if in the future it decides to offer, resell, pledge or otherwise transfer any of the Equity Shares, such Equity Shares may be offered, resold, pledged or otherwise transferred only outside the United States in a transaction complying with the provisions of Rule 903 or Rule 904 of Regulation S or in a transaction otherwise exempt from the registration requirements of the Securities Act and other applicable U.S. state securities laws.

- It is a sophisticated investor and has such knowledge and experience in financial, business and investments as to be capable of evaluating the merits and risks of the investment in the Equity Shares. It is experienced in investing in private placement transactions of securities of companies in a similar stage of development and in similar jurisdictions. It and any accounts for which it is subscribing to the Equity Shares (i) are each able to bear the economic risk of the investment in the Equity Shares, (ii) will not look to the Bank or any of the BRLM for all or part of any such loss or losses that may be suffered, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) is seeking to subscribe to the Equity Shares in this Issue for investment purposes and not with a view to resell or distribute them and it has no reason to anticipate any change in its circumstances, financial or otherwise, which may cause or require any sale or distribution by it of all or any part of the Equity Shares, (v) have no need for liquidity with respect to the investment in the Equity Shares, and (vi) have no reason to anticipate any change in its or their circumstances, financial or otherwise, which may cause or require any sale or distribution by it or them of all or any part of the Equity Shares. It acknowledges that an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment.

- It has been provided access to this Preliminary Placement Document and will be provided access to the Placement Document which it has read in its entirety.

- It agrees to indemnify and hold the Bank and each of the BRLM harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of these representations and warranties. It will not hold any of the Bank or the BRLM liable with respect to its investment in the Equity Shares. It agrees that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares.

- Where it is subscribing to the Equity Shares for one or more managed accounts, it represents and warrants that it is authorised in writing, by each such managed account to subscribe to the Equity Shares for each managed account and to make (and it hereby makes) the acknowledgements and agreements herein for and on behalf of each such account, reading the reference to "it" to include such accounts.

- It agrees that any resale or other transfer, or attempted resale or other transfer, of the Equity Shares made other than in compliance with the above-stated restrictions shall not be recognised by the Bank.

If such person is a dealer (as such term is defined under the Securities Act), it may not resell the Equity Shares in the United States prior to 40 days from the commencement of the offering of the Equity Shares. It acknowledges that the Bank and the BRLM and their affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations or agreements is no longer accurate, it will promptly notify the Bank and the BRLM. It agrees that the terms and provisions of the foregoing acknowledgements, representations and agreements shall inure to the benefit of and any document incorporating such acknowledgements, representations and agreements shall be enforceable by the Bank, its successors and its permitted assigns, and the terms and provisions hereof shall be binding on its permitted successors in title, permitted assigns and permitted transferees. It understands that these acknowledgments, representations and undertakings are required in connection with United States securities laws and irrevocably authorizes the Bank to produce these acknowledgments, representations and undertakings (or any document incorporating them) to any interested party in any administrative or legal proceedings or official enquiry with respect to the matters covered herein.

THE SECURITIES MARKET OF INDIA

The information in this section has been extracted from documents available on the website of SEBI and the Stock Exchanges and has not been prepared or independently verified by our Company or the Book Running Lead Manager or any of their respective affiliates or advisors.

The Indian Securities Market

India has a long history of organised securities trading. In 1875, the first stock exchange was established in Mumbai. The BSE and the NSE are the significant stock exchanges in terms of the number of listed companies, market capitalisation and trading activity.

Indian Stock Exchanges

Indian stock exchanges are regulated primarily by SEBI, as well as by the Government acting through the Ministry of Finance, Capital Markets Division, under the Securities Contracts (Regulation) Act, 1956 (the "SCRA") and the SCRR. On October 3, 2018, SEBI, in exercise of its powers under the SCRA and the SEBI Act, notified the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (the "SCR (SECC) Rules"), which regulate *inter alia* the recognition, ownership and internal governance of stock exchanges and clearing corporations in India together with providing for minimum capitalisation requirements for stock exchanges. The SCRA, the SCRR and the SCR (SECC) Rules along with various rules, bye-laws and regulations of the respective stock exchanges, regulate the recognition of stock exchanges, the qualifications for membership thereof and the manner, in which contracts are entered into, settled and enforced between members of the stock exchanges.

The SEBI Act empowers SEBI to regulate the Indian securities markets, including stock exchanges and intermediaries in the capital markets, promote and monitor self-regulatory organisations and prohibit fraudulent and unfair trade practices. Regulations concerning minimum disclosure requirements by public companies, rules and regulations concerning investor protection, insider trading, substantial acquisitions of shares and takeover of companies, buy-backs of securities, employee stock option schemes, stockbrokers, merchant bankers, underwriters, mutual funds, foreign institutional investors, credit rating agencies and other capital market participants have been notified by the relevant regulatory authority.

Listing and Delisting of Securities

The listing of securities on a recognised Indian stock exchange is regulated by the applicable Indian laws including the Companies Act, 2013 the SCRA, the SCRR, the SEBI Act and various guidelines and regulations issued by the SEBI including the SEBI ICDR Regulations and the SEBI Listing Regulations. The SCRA empowers the governing body of each recognised stock exchange to suspend trading of or withdraw admission to dealings in a listed security for breach of or noncompliance with any conditions or breach of company's obligations under the SEBI Listing Regulations or for any reason, subject to the issuer receiving prior written notice of the intent of the exchange and upon granting of a hearing in the matter. SEBI also has the power to amend the SEBI Listing Regulations and bye-laws of the stock exchanges in India, to overrule a stock exchange's governing body and withdraw recognition of a recognized stock exchange.

Further the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 govern the voluntary and compulsory delisting of equity shares from the stock exchanges. In addition, certain amendments to the SCRR have also been notified in relation to delisting.

Minimum Level of Public Shareholding

All listed companies (except public sector undertakings) are required to maintain a minimum public shareholding of 25%. In this regard, SEBI has provided several mechanisms to comply with this requirement. Where the public shareholding in a listed company falls below 25% at any time, such company shall bring the public shareholding to 25% within a maximum period of 12 months from the date of such public shareholding having fallen below the 25% threshold. However, every listed public sector company whose public shareholding falls below 25% at any time on or after the commencement of the Securities Contracts (Regulation) (Second Amendment) Rules, 2018, shall increase its public shareholding to at least 25%, within a period of two years from the date of such fall, respectively, in the manner specified by SEBI. Consequently, a listed company may be delisted from the Stock Exchanges for not complying with the above-mentioned requirements. Further, pursuant to the budget for financial year 2020, SEBI has been authorised to consider increasing the minimum public shareholding requirement to 35%. Our Company is in compliance with this minimum public shareholding requirement.

Index-Based Market-Wide Circuit Breaker System

In order to restrict abnormal price volatility in any particular stock, the SEBI has instructed stock exchanges to apply daily circuit breakers which do not allow transactions beyond a certain level of price volatility. The index-based market-wide circuit breaker system (equity and equity derivatives) applies at three stages of the index movement, at 10%, 15% and 20%. These circuit breakers, when triggered, bring about a co-ordinated trading halt in all equity and equity derivative markets nationwide. The market-wide circuit breakers are triggered by movement of either the SENSEX of the BSE or the CNX NIFTY of the NSE, whichever is breached earlier.

In addition to the market-wide index-based circuit breakers, there are currently in place individual scrip-wise price bands of 20% movements either up or down. However, no price bands are applicable on scrips on which derivative products are available or scrips included in indices on which derivative products are available.

The stock exchanges in India can also exercise the power to suspend trading during periods of market volatility. Margin requirements are imposed by stock exchanges that are required to be paid by the stockbrokers.

BSE

Established in 1875, it is the oldest stock exchange in India. In 1956, it became the first stock exchange in India to obtain permanent recognition from the Government under the SCRA. Pursuant to the BSE (Corporatization and Demutualization) Scheme 2005 of the SEBI, with effect from August 19, 2005, BSE was incorporated as a company under the Companies Act, 1956. BSE was listed on NSE with effect from February 3, 2017.

NSE

NSE was established by financial institutions and banks to provide nationwide online, satellite-linked, screen based trading facilities with market-makers and electronic clearing and settlement for securities including government securities, debentures, public sector bonds and units. NSE was recognized as a stock exchange under the SCRA in April 1993.

Internet-based Securities Trading and Security Trading using Wireless Technology Services

Internet trading takes place through order routing systems, which route client orders to exchange trading systems for execution. Stock brokers interested in providing this service are required to apply for permission to the relevant stock exchange and also have to comply with certain minimum conditions stipulated by SEBI. Internet trading is possible on both the “equities” as well as the “derivatives” segments of the NSE.

Trading Hours

Trading on both, the NSE and the BSE occurs from Monday to Friday, between 9:15 a.m. and 3:30 p.m. IST (excluding the 15 minutes pre-open session from 9:00 a.m. to 9:15 a.m.). The BSE and the NSE are closed on public holidays. The recognised stock exchanges have been permitted to set their own trading hours (in the cash and derivatives segments) subject to the condition that (i) the trading hours are between 9.00 a.m. and 5.00 p.m.; and (ii) the stock exchange has in place a risk management system and infrastructure commensurate to the trading hours.

Trading Procedure

In order to facilitate smooth transactions, the BSE replaced its open outcry system with the BSE On-line Trading facility in 1995. This totally automated screen-based trading in securities was put into practice nation-wide. This has enhanced transparency in dealings and has assisted considerably in smoothening settlement cycles and improving efficiency in back office work.

The NSE has introduced a fully automated trading system called National Exchange for Automated Trading (“**NEAT**”), which operates on strict time/ price priority besides enabling efficient trade. NEAT has provided depth in the market by enabling large number of members all over India to trade simultaneously, narrowing the spreads.

Disclosures under the SEBI Listing Regulations

Under the SEBI Listing Regulations, public listed companies are required to prepare and circulate to their shareholders audited annual accounts which comply with the disclosure requirements and regulations governing their manner of presentation and which include sections relating to corporate governance, related party transactions and management's discussion and analysis as required under the SEBI Listing Regulations. In addition, a listed company is subject to continuing disclosure requirements pursuant to the terms of the SEBI Listing Regulations.

SEBI Takeover Regulations

Disclosure and mandatory bid obligations for listed Indian companies under Indian law are governed by the SEBI Takeover Regulations, which provides for specific regulations in relation to substantial acquisition of shares and takeover. Once the equity shares of a company are listed on a stock exchange in India, the provisions of the SEBI Takeover Regulations will apply to any acquisition of the company's shares/ voting rights/ control. The SEBI Takeover Regulations prescribe certain thresholds or trigger points in the shareholding a person or entity has in the listed Indian company, which give rise to certain obligations on part of the acquirer. Acquisitions up to a certain threshold prescribed under the SEBI Takeover Regulations mandate specific disclosure requirements, while acquisitions crossing particular thresholds may result in the acquirer having to make an open offer of the shares of the target company. The SEBI Takeover Regulations also provides for the possibility of indirect acquisitions, imposing specific obligations on the acquirer in case of such indirect acquisition.

Prohibition of Insider Trading Regulations

The SEBI Insider Trading Regulations were notified on January 15, 2015 and came into effect on May 15, 2015, which repealed the erstwhile regulations of 1992. The SEBI Insider Trading Regulations, inter alia, impose certain restrictions on the communication of information by listed companies. Under the SEBI Insider Trading Regulations, (i) no insider shall communicate, provide or allow access to any UPSI relating to such companies and securities to any person including other insiders; and (ii) no person shall procure or cause the communication by any insider of UPSI relating to such companies and securities, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations. However, UPSI may be communicated, provided or allowed access to or procured, under certain circumstances specified in the SEBI Insider Trading Regulations.

The SEBI Insider Trading Regulations make it compulsory for listed companies and certain other entities that are required to handle UPSI in the course of business operations to establish an internal code of practices and procedures for fair disclosure of UPSI and to regulate, monitor and report trading by insiders. To this end, the SEBI Insider Trading Regulations provide principles of fair disclosure for purposes of code of practices and procedures for fair disclosure of UPSI and minimum standards for code of conduct to regulate, monitor and report trading by insiders. There are also initial and continuing shareholding disclosure obligations under the SEBI Insider Trading Regulations.

Further, the board of directors or head(s) of the listed entities are required to maintain a structured digital database containing, inter alia, the nature of UPSI, the names of such persons who have shared the UPSI and the names of persons with whom such UPSI is shared under the SEBI Insider Trading Regulations.

Depositories

The Depositories Act provides a legal framework for the establishment of depositories to record ownership details and effect transfer in book-entry form. Further, SEBI has framed regulations in relation to the registration of such depositories, the registration of participants as well as the rights and obligations of the depositories, participants, companies and beneficial owners. The depository system has significantly improved the operation of the Indian securities markets.

Derivatives (Futures and Options)

Trading in derivatives is governed by the SCRA, the SCRR and the SEBI Act. The SCRA was amended in February 2000 and derivatives contracts were included within the term "securities", as defined by the SCRA. Trading in derivatives in India takes place either on separate and independent derivatives exchanges or on a separate segment of an existing stock exchange. The derivatives exchange or derivatives segment of a stock exchange functions as a self-regulatory organisation under the supervision of the SEBI.

DESCRIPTION OF THE EQUITY SHARES

The following is information relating to the Equity Shares including a brief summary of the Memorandum of Association, Articles of Association and the Companies Act, 2013. Prospective Investors are urged to read the Memorandum and Articles of Association carefully, and consult with their advisers, as the Memorandum and Articles of Association and applicable Indian law, and not this summary, govern the rights attached to the Equity Shares. Capitalised terms used and not defined herein, shall have the same meaning as ascribed to such words in the Memorandum and Articles of Association.

General

The authorised share capital of our Company is ₹ 20,000 lakhs divided into 12,50,00,000 Equity Shares of face value of face value of ₹ 10 each and 7,50,00,000 Preference Shares of face value of ₹ 10 each. As on the date of this Preliminary Placement Document, the issued capital of our Company is ₹ 9,975.97 lakhs divided into 9,97,59,661 Equity Shares of face value of ₹ 10 each, the subscribed capital of our Company is ₹ 9,975.93 lakhs divided into 9,97,59,277 Equity Shares of face value of ₹ 10 each and paid-up capital of our Company is ₹ 9,963.44 lakhs divided into 9,96,34,381 Equity Shares of face value of ₹ 10 each.

Memorandum and Articles of Association

Our Company is governed by its Memorandum and Articles of Association.

Main objects of our Company

The main objects contained in the Memorandum of Association of our Company are as follows:

"*1. To carry on the business of financing the purchase of, leasing, letting on hire, hire purchase or easy payment systems of household and office furniture, domestic or business appliances, computers, tabulators addressing machines and other sophisticated office machinery, installation, fitting machinery, motor-cars, taxi cabs, automobiles, trucks, tramcars, motor lorries, tractors earthmoving machinery, wagons, cycles, bicycles, coaches, garages and all other such vehicles drawn by motor, steam, oil, petroleum, electricity or any other mechanical or other power or device, agricultural implements and machinery, air ships, aeroplanes, cranes, ships and helicopter, tools, plants, implements, utensils apparatus and requisites and accessories, furniture, television receivers, telephones, telex teleprinters or other apparatus, ships, graders, barges and containers.*

2. To carry on the business of leasing movable properties of any kind and industrial machinery, plant of all kinds and financing the purchase thereof.

3. To carry on the business of financing the purchase of immovable properties of all kinds such as real estate, buildings, flats, and apartments and to finance the sale of furniture, apparatus, machinery, materials, goods and articles, and to lease out or sell any of the same on hire purchase system.

4. To finance industrial enterprises and to promote companies engaged industrial and trading business by way of finance.

5. To carry on the business of financing, secured or unsecured, industrial micro financing to individuals, micro entities, companies, societies, institutions or other entities, incorporated or not through individual lending basis, group lending basis, joint liability group basis or through any other method for meeting their requirement for working capital needs, housing needs, acquisition and buying in of goods or merchandise of any description or for their productive or personal financial requirements."

Dividend

The Company in annual general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board. Subject to the provisions of section 123 of the Companies Act, 2013 and RBI master directions, as applicable, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the position of the Company. Further, payment of dividend on the Equity Shares shall also be governed by the circulars issued by the RBI and Dividend Distribution Policy of our Company.

The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit. The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid. No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company. Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act. No dividend shall bear interest against the Company.

Share capital

The authorised share capital of the Company shall be such amount and be divided into such Equity Shares as may, from time to time, be provided in Clause V of Memorandum with power to increase and reduce the capital of the Company, into several classes and to attach thereto respectively preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with regulations of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as provided by the Company.

Subject to the provisions of the Companies Act, 2013 and the Articles of Association, the shares in the capital of the Company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or subject to the compliance with Section 53 of the Companies Act, 2013, at a discount and at such time as they may from time-to-time think fit. Further, the Equity Shares of our Company are held in dematerialised form only and in accordance with the SEBI ICDR Regulations, the Equity Shares will be issued, and Allotment shall be made only in dematerialized form to the Allottees.

General meetings of shareholders

- All general meetings other than annual general meeting shall be called extraordinary general meeting.
- The Board may, whenever it thinks fit, call an extraordinary general meeting.

Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares on a show of hands, every member present in person shall have one vote; and on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the Company. A member may exercise his vote at a meeting by electronic means in accordance with Section 108 of the Companies Act, 2013 and shall vote only once. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.

An instrument appointing a proxy shall be in the form as prescribed in the rules made under Section 105 of the Companies Act, 2013.

Transfer of shares

The Company shall maintain a “Register of Transfers” and shall have recorded therein fairly and distinctly particulars of every transfer or transmission of any share, debenture or other security held in a material form.

The instrument of transfer of any share in the Company shall be in writing and shall be executed by or on behalf of both the transferor and transferee and the provisions of the Companies Act, 2013, and statutory modifications thereof shall be duly complied with in respect of all transfer of shares and registration thereof. The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.

The Board may, subject to the right of appeal conferred by section 58 of the Companies Act, 2013 decline to register-

- the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or
- any transfer of shares on which the Company has a lien.

Subject to the provisions of Sections 58 and 59 of the Companies Act, 2013, the Articles and other applicable provisions of the Act or any other Law for the time being in force, the Board may, whether in pursuance of any power of the company under these Articles or otherwise refuse to register the transfer of, or the transmission by operation of Law of the right to, any securities or interest of a shareholder in the Company. The Company shall, within 30 (thirty) days from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to the Company, send a notice of refusal to the transferee and transferor or to the person giving notice of such transmission, as the case may be, giving reasons for such refusal.

Provided that the registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever, as specified in regulation 40 of the SEBI Listing Regulations.

The Board may decline to recognise any instrument of transfer unless-

- the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56 of the Companies Act, 2013;
- the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
- the instrument of transfer is in respect of only one class of shares.

On giving not less than seven days' previous notice in accordance with section 91 of the Companies Act, 2013 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine. Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

Buy-back

Subject to the Articles and subject to the provisions of sections 68 to 70 and any other applicable provision of the Companies Act, 2013 or any other Law for the time being in force, the Company may purchase its own shares or other specified securities.

Winding up

Subject to the provisions of Chapter XX of the Companies Act, 2013 and rules made thereunder-

- If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company.
- For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
- The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

TAXATION

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE LAWS IN INDIA

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

JM Financial Limited
7th Floor, Cnergy,
Appasaheb Marathe Marg, Prabhadevi,
Mumbai – 400025
Maharashtra, India (hereinafter referred to as the "**Placement Agent**")

Subject: Qualified institutions placement of equity shares of face value ₹ 10 each ("Equity Shares") by Satin Creditcare Network Limited (the "Company") under Chapter VI of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, and Section 42 and 62 of the Companies Act, 2013, as amended, read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended (the "Issue").

We, S S Kothari Mehta & Co. ("we" or "us" or "our" or "Firm"), statutory auditors of the Company, hereby report the possible special tax benefits available to the Company and the shareholders of the Company, under the Income Tax Act, 1961, as amended (the "**IT Act**"), applicable Indirect Tax Laws (as defined in the Annexure A), along with the rules, regulations, circulars and notifications issued thereon, as applicable to the assessment year 2024-25 relevant to the financial year 2023-2024, presently in force in India, in the enclosed statement at **Annexure A**.

Several of these stated tax benefits/consequences are dependent on the Company and/or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Therefore, the ability of the Company and/or its shareholders to derive the tax benefits is dependent on fulfilling such conditions.

The benefits discussed in the enclosed Annexure A cover the possible special tax benefits available to the Company and its shareholders and do not cover any general tax benefits available to the Company and its shareholders. Further, the preparation of the enclosed Annexure A and its contents is the responsibility of the Management of the Company. We were informed that the Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed offer particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the possible special tax benefits, which an investor can avail. Neither we are suggesting nor advising the investors to invest money based on the Statement.

The Management is responsible for ensuring that the Company complies with the requirements of the applicable laws and shall be responsible for providing us the required information/documents as may be required by us for certifying the requirement as per paragraph above.

The benefits discussed in the enclosed annexure are not exhaustive. Annexure A is for your information, and we consent its inclusion in the preliminary placement document and placement document, as amended or supplemented thereto (together the "Placement Documents") to be filed by the Company with the stock exchanges, the Securities and Exchange Board of India ("SEBI"), and the Registrar of Companies, and any other authority and such other documents as may be prepared in connection with the Issue.

In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue. Neither are we suggesting nor advising the investor to invest money based on this statement.

We do not express any opinion or provide any assurance as to whether:

i) the Company or its shareholders will continue to obtain these benefits in future; or
ii) the conditions prescribed for availing the benefits have been/would be met with; or
iii) the revenue authorities / courts will concur with the views expressed herein.

We consent to the inclusion of the above information in the Preliminary Placement Document and Placement Document to be filed by the Company with the stock exchanges on which the Equity Shares of the Company are listed (the "**Stock Exchanges**"), the Securities and Exchange Board of India, and the Registrar of Companies, National Capital Territory of Delhi and Haryana at New Delhi, and any other authority and such other documents as may be prepared in connection with the Issue.

This statement is prepared for inclusion in the Preliminary Placement Document and Placement Document (PD) in connection with the Issue, and may accordingly be furnished by the company and Placement agents, as required to the Stock Exchanges or any other judicial, statutory and regulatory authorities as required. The aforesaid information contained herein and in **Annexure A** can also be shared with and relied on by the Placement Agent, legal counsel and any other advisors and intermediaries appointed in relation to the Issue.

We undertake to immediately inform in writing to the Placement Agent and legal counsel in case of any changes to the above until the date when the Equity Shares issued pursuant to the Issue commence trading on the Stock Exchanges. In the absence of any such communication, you may assume that there is no change in respect of the matters covered in this certificate.

Capitalized terms used herein, unless otherwise specifically defined, shall have the same meaning as ascribed to them in the Preliminary Placement Document or Placement Document.

Yours sincerely,

For S S Kothari Mehta & Co.
Chartered Accountants
Firm Registration Number: 000756N

Partner: Naveen Aggarwal
Membership No.: 094380
UDIN: 23094380BGUNGG8960
Place: New Delhi
Date: December 14, 2023

Domestic Legal Counsel to the Issue
J. Sagar Associates
B-303, 3rd Floor, Ansal Plaza, Hudco Place,
August Kranti Marg,
New Delhi – 110049, India

ANNEXURE TO THE STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE DIRECT TAX LAWS IN INDIA

There are no special tax benefits available to the Company and the shareholders of the Company under the current direct tax and indirect tax laws presently in force in India.

LEGAL PROCEEDINGS

As on date of this Preliminary Placement Document, except as disclosed below, there are no outstanding litigation, suits, including any tax proceedings or any other claims, disputes, legal or show cause notices, investigations or complaints determined as material in accordance with the Company's '*Policy on determination of materiality of events or information*' framed in accordance with Regulation 30 of the SEBI Listing Regulations.

Notwithstanding such materiality policy approved by our Fund Raising Committee, solely for the purpose of the Issue, in accordance with the resolution passed by our Fund Raising Committee on December 14, 2023, except as disclosed in this section, there are no: (i) outstanding criminal proceedings involving our Company, or its Subsidiaries (collectively, "**Relevant Parties**"); (ii) outstanding actions by statutory or regulatory authorities against our Company or its Subsidiaries along with any show cause notices received from a statutory or regulatory authority by our Company or its Subsidiaries ; (iii) a consolidated disclosure of all claims related to direct and indirect taxes involving our Company and/or Subsidiaries; (iv) outstanding civil litigation proceedings involving our Company and/or Subsidiaries, which involve an amount equivalent to or above ₹ 65.82 lakhs which is 5% of the average of absolute value of profit or loss after tax as per the last three audited consolidated financial statements of the Company for the financial years ended 2021, March 31, 2022 and March 31, 2023; (v) other outstanding proceedings involving our Company and/or Subsidiaries wherein a monetary liability is not determinable or quantifiable, or which does not exceed the threshold as specified in (iv) above, which if results in an adverse outcome would have a material adverse effect on the business, operations, performance, prospects, financial position or reputation of the Company and (vi) all legal proceedings involving the promoters or directors of our Company, which, if result in an adverse outcome, would materially and adversely affect the financial position, business, operations, prospects, or reputation of the Company.

Further, pre-litigation notices received by any of the Relevant Parties, from third parties (excluding statutory/regulatory/ judicial/quasi-judicial/government/tax authorities or notices threatening criminal action) shall, not be considered as litigation proceedings till such time that any of the Relevant Parties, are impleaded as parties in any such litigation proceedings before any court, tribunal or governmental authority, or is notified by any governmental, statutory or regulatory authority of any such proceeding that may be commenced.

Further, as on date of this Preliminary Placement Document, except as disclosed in this section: (i) there is no litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against our Promoters during the last three years immediately preceding the year of issue of this Preliminary Placement Document and no directions have been issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action; (ii) there have been no inquiries, inspections or investigations initiated or conducted against our Company, under the Companies Act, 2013 or the Companies Act, 1956 in the last three years immediately preceding the year of issue of this Preliminary Placement Document, nor have there been any prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years immediately preceding the year of this Preliminary Placement Document involving our Company; (iii) our Company has no defaults in repayment of (a) statutory dues, (b) debentures and interest thereon, (c) deposits and interest thereon and (d) loans from any bank or financial institution and interest thereon (except where there is dispute under litigation); (iv) our Company has not made any default in annual filings of our Company under the Companies Act, 2013 or the rules made thereunder; (v) there are no significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operations; (vi) there have been no acts of material fraud committed against our Company in the last three years preceding the issue of this Preliminary Placement Document; and (vii) there are no reservations, qualifications or adverse remarks of auditors in their respective reports on our audited consolidated and standalone financial statements for the last five Fiscals preceding the year of the issue of this Preliminary Placement Document.

A. Litigation involving our Company

(a) Litigation against our Company

(I) Criminal Litigation against our Company

(i) Criminal miscellaneous application (*vide No. 30938 of 2012*) dated September 17, 2012, was filed by Ajay ("**Appellant**") against the State of Uttar Pradesh and our Company under section 482 of the Code of Criminal Procedure **("Cr.P.C)"** before the High Court of Judicature at Allahabad ("**Hon'ble High Court**") (the "**Application**") in response to the criminal complaint (*vide No. 1115 of 2011*) which was filed by the Company against the Appellant in the court of the Chief Judicial Magistrate, District Court of Hathras ("**Criminal Complaint**") under Section 138 of the Negotiable Instruments Act, alleging default in repayment of loan amounting to ₹ 40,000 obtained by the Appellant from the Company ("**Loan**") and dishonour of cheques tendered by the Appellant for repayment of aforesaid Loan. The Appellant pursuant to its Application alleged that (a) Loan obtained was duly repaid, (b) he has not committed any offence under Section 138 of the Negotiable Instruments Act, and (c) Criminal Complaint filed by the Company lacked jurisdiction. Our Company has filed a counter affidavit in response to the Application, opposing the claims of the Appellant and further prayed the Hon'ble High Court to reject the Application with cost against the Appellant. The matter is currently pending.

(ii) Criminal miscellaneous application (*vide No. 40864 of 2011*) dated December 12, 2011, was filed by Mirza Azhar Beg ("**Appellant II**") against the State of Uttar Pradesh and our Company under section 482 of the Cr.P.C before the High Court of Judicature at Allahabad ("**Hon'ble High Court**") (the "**Application II**") in response to the criminal complaint (*vide No. 1057 of 2011*) which was filed by the Company against the Appellant II in the court of the Chief Judicial Magistrate, District Court of Hathras ("**Criminal Complaint II**") under Section 138 of the Negotiable Instruments Act, alleging default in repayment of loan amounting to ₹ 40,000 obtained by Appellant II from the Company ("**Loan II**") and dishonour of cheques tendered by the Appellant II for repayment of aforesaid Loan II. The Appellant II pursuant to its Application II alleged that (a) Loan II obtained was duly repaid, (b) he has not committed any offence under Section 138 of the Negotiable Instruments Act, and (c) Criminal Complaint II filed by the Company lacked jurisdiction. Our Company has filed a counter affidavit in response to the Application II, opposing the claims of the Appellant II and further prayed the Hon'ble High Court to reject the Application II with cost against the Appellant II. The matter is currently pending.

(iii) Criminal miscellaneous application (*vide No. 42563 of 2012*) dated December 12, 2012, was filed by Abhishek Bansal ("**Appellant III**") against the State of Uttar Pradesh and our Company under section 482 of the Cr.P.C before the High Court of Judicature at Allahabad ("**Hon'ble High Court**") (the "**Application III**") in response to the criminal complaint (*vide No. 162 of 2011*) which was filed by the Company against the Appellant III in the court of the Chief Judicial Magistrate, District Court of Mathura ("**Criminal Complaint III**") under Section 138 of the Negotiable Instruments Act, alleging default in repayment of loan amounting to ₹ 50,000 obtained by Appellant III from the Company ("**Loan III**") and dishonour of cheques tendered by the Appellant III for repayment of aforesaid Loan III. The Appellant III pursuant to its Application III alleged that (a) Loan III obtained was duly repaid, (b) he has not committed any offence under Section 138 of the Negotiable Instruments Act, and (c) Criminal Complaint III filed by the Company lacked jurisdiction. Our Company has filed a counter affidavit in response to the Application III, opposing the claims of the Appellant III and further prayed the Hon'ble High Court to reject the Application III with cost against the Appellant III. The matter is currently pending.

(iv) Criminal miscellaneous application (*vide No. 34525 of 2012*) dated October 8, 2012, was filed by Vidhan Chandra Sharma ("**Appellant IV**") against the State of Uttar Pradesh and our Company under section 482 of the Cr.P.C before the High Court of Judicature at Allahabad ("**Hon'ble High Court**") (the "**Application IV**") in response to the criminal complaint (*vide No. 98 of 2011*) which was filed by the Company against the Appellant IV in the Court of Judicial Magistrate, Third Class, Aligarh ("**Criminal Complaint IV**") under Section 138 of the Negotiable Instruments Act, alleging default in repayment of loan amounting to ₹ 36,000 obtained by Appellant IV from the Company for personal reasons ("**Loan IV**") and dishonour of cheques tendered by the Appellant IV for repayment of aforesaid Loan IV. The Complainant IV pursuant to its Application IV alleged that (a) Loan IV obtained was duly repaid, (b) he has not committed any offence under Section 138 of the Negotiable Instruments Act, and (c) Criminal Complaint IV filed by the Company lacked jurisdiction. Our Company has filed a counter affidavit in response to the Application IV, opposing the claims of the Appellant IV and further prayed the Hon'ble High Court to reject the Application IV with cost against the Appellant IV. The matter is currently pending.

(II) Outstanding Actions taken by the Regulatory and Statutory Authorities against our Company

As on the date of filing of this Preliminary Placement Document, there are no outstanding actions taken by any regulatory and statutory authorities against our Company.

(III) Material Civil Proceedings

As on the date of filing of this Preliminary Placement Document, there are no material civil proceeds filed against our Company.

(b) Litigation by our Company

(I) Criminal Litigation by our Company

(i) As on the date of this Preliminary Placement Document, our Company has, in the ordinary course of its business, filed 318 complaints against various persons under Section 138 of the Negotiable Instruments Act, 1881, in relation to dishonour of cheques and recovery of dues. These matters are currently pending at different stages of adjudication before several judicial authorities in the country. The aggregate amount involved in these matters is ₹ 2,482.08 lakhs.

(ii) Our Company has filed an F.I.R. dated October 19, 2004 under sections 408, 420, 467, 468 and 471 read with section 120-B of the Indian Penal Code, 1860 against Anil Kumar, J.S. Multani and others**,** alleging criminal breach of trust, forgery (with the purpose of cheating) and fraud. Anil Kumar and J.S. Multani were employees of the Company and Company alleged that they along with Hardeep Singh (*proprietor of M/s Sandhu Electronics*), R.S. Mishra and A.K. Mishra (*proprietor of M/s Mishra Electronics*) had forged loan documentation for the purpose of defrauding money from the Company leading to a loss of ₹ 8 lakhs to the Company. The Judicial Magistrate First Class, Chandigarh, by way of an order dated May 18, 2019 (the "**Impugned Judgement**"), acquitted Anil Kumar and others **("Respondents")** in the aforesaid matter, stating that the prosecution had failed to establish the allegations beyond the shadow of doubt and that there was no definitive evidence against the Respondents. Subsequently, our Company **("Appellant")** filed an appeal dated July 18, 2018, in the Court of the Hon'ble Sessions Judge at Chandigarh ("**Hon'ble Court**") against the Impugned Judgement. The matter is currently pending.

(II) Material Civil Proceedings

As on the date of filing of this Preliminary Placement Document, there are no material civil proceeds filed by our Company.

B. Litigation involving our Subsidiaries

1. Satin Housing Finance Limited (*"SHFL"*)

(a) Litigation by SHFL

(I) Criminal Litigation by SHFL

(i) As on the date of this Preliminary Placement Document, SHFL has, in the ordinary course of its business, filed 66 complaints against various persons under the Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002 in relation to default and recovery of loans. These matters are currently pending at different stages of adjudication before several judicial authorities in the country. The aggregate amount involved in these matters is ₹ 625.07 lakhs.

(ii) As on the date of this Preliminary Placement Document, SHFL has, in the ordinary course of its business, filed 20 complaints against various persons under Section 138 of the Negotiable Instruments Act, 1881 in relation to dishonour of cheques. These matters are currently pending at different stages of adjudication before several judicial authorities in the country. The aggregate amount involved in these matters is ₹ 101.91 lakhs.

(b) Litigation against SHFL

As on the date of filing of this Preliminary Placement Document, there are no proceedings filed against SHFL.

2. Satin Finserv Limited ("*SFL*")

(a) Litigation by SFL

(I) Criminal Litigation by SFL

(i) As on the date of this Preliminary Placement Document, SFL has, in the ordinary course of its business, filed 174 complaints against various persons under Section 138 of the Negotiable Instruments Act, 1881 in relation to dishonour of cheques. These matters are currently pending at different stages of adjudication before several judicial authorities in the country. The aggregate amount involved in these matters is ₹ 1,385.78 lakhs.

(ii) Taraashna Financial Services Limited **("Complainant")**, filed an FIR dated October 7, 2016 bearing FIR number 0590, against Ujjwal Chaurasia and others **("Accused Persons")** in the Police Station, Vidhisha Dehaat, under sections 406, 409, 420, 467, 468 and 471 read with section 120-B of the Indian Penal Code, 1860, alleging criminal conspiracy, criminal breach of trust, fraud, forgery. The Complainant alleged that the Accused Persons had defrauded a beneficiary women's group by getting the loan sanctioned of a sum of ₹83.24 lakhs, in their name and have allegedly misappropriated the funds instead of giving it to the said group. The matter is now pending before the Additional District Judge (Third Class).

(II) Civil proceedings by SFL

Reliance Commercial Finance Limited ("**RCFL**") and Taraashna Financial Services Limited ("**TFSL**") had entered into a service provider agreement dated June 9, 2015, which was amended from time to time. Pursuant to scope of the Service Agreement, TFSL agreed to assist RCFL in providing loans to rural and unbanked populations and building a loan portfolio in its books. TFSL was required to service these loans on behalf of the RCFL and in terms of the Service Agreement, TFSL was required to maintain a security deposit with the RCFL in the form of a lien over a fixed deposit or a bank guarantee. Dispute arose between RCFL and TFSL in relation to terms of the Service Agreement including in relation to refund of excess security amount of ₹ 3.50 crores deposited by TFSL with RCFL on account of reduction in the outstanding loan portfolio. The High Court of Delhi, acting upon application made by TFSL under Section 9 of the Arbitration and Conciliation Act, 1996, appointed an arbitrator pursuant to its order dated July 3, 2020, to adjudicate upon disputes between the parties in relation to Service Agreement. Vide order dated January 7, 2021 passed by the arbitral tribunal under section 17 of the Arbitration and Conciliation Act, 1996, the arbitral tribunal has directed to release its lien on the fixed deposits available with it except to the extent of ₹1.25 crores. The arbitrator pursuant to its order dated January 7, 2021 directed RCFL to release the security deposit of ₹ 4.25 crores except to the extent of sum of ₹ 1.25 crores ("**Award 1**"). RCFL filed an appeal against the Award 1, and the learned arbitrator pursuant to its order dated April 7, 2021 disposed of appeal stating that (a) RCFL will continue to hold security of ₹ 1.25 crores and (b) TFSL agreed to keep such amount of security deposit released by RCFL in a separate no-lien account. Further, the arbitrator pursuant to its award dated January 17, 2023 directed (a) RCFL to release its lien on the fixed deposits made by TFSL except to the extent of ₹ 30.00 lakhs (b) RCFL to make interest payment of sum of ₹ 14.07 lakhs and (c) RCFL to make payment of ₹ 50.00 lakhs towards cost of arbitral proceedings ("**Award 2**"). RCFL has filed a petition in the High Court of Delhi against the Award 2, and the matter is currently pending.

(b) Litigation against SFL

As on the date of filing of this Preliminary Placement Document, there are no proceedings filed against SFL.

Reservations, qualifications or adverse remarks

Except as disclosed below, there have been no reservations, qualifications or adverse remarks of our auditors in their respective reports on the audited standalone and consolidated financial statements as of and for the Fiscals ended March 31, 2019, March 31, 2020, March 31, 2021, March 31, 2022 and March 31, 2023.

Fiscal	**Details of matter of emphasis or other observations or modifications**	**Details of impact on financial statements and corrective steps taken by the Company**	**Corrective steps taken and/or proposed to be taken by the Company**
Audited standalone financial statements			
Fiscal 2019	NIL	NA	NA
Fiscal 2020	Emphasis of Matter- We draw attention to Note No. 53 to the accompanying Statement, which describes significant uncertainties due to the outbreak of COVID-19 pandemic. The impact of the pandemic on the operations of the Company and its financial position as at March 31, 2020 including the measurement of expected credit losses on the loan assets are significantly dependent on uncertain future economic conditions. Our opinion is not modified in respect of this matter.	NA	NA

Fiscal	Details of matter of emphasis or other observations or modifications	Details of impact on financial statements and corrective steps taken by the Company	Corrective steps taken and/or proposed to be taken by the Company
Fiscal 2021	Emphasis of Matter- We draw attention to Note No. 54 to the accompanying Statement, which describes significant uncertainties due to the outbreak of COVID-19 pandemic. The impact of the pandemic on the operations of the Company and its financial position as at March 31, 2021 including the measurement of expected credit losses on the loan assets are significantly dependent on uncertain future economic conditions. Our opinion is not modified in respect of this matter.	NA	NA
Fiscal 2022	Emphasis of Matter- We draw attention to Note No. 53 to the accompanying Statement, which describes significant uncertainties due to the outbreak of COVID-19 pandemic. The impact of the pandemic on the operations of the Company and its financial position as at March 31, 2022 including the measurement of expected credit losses on the loan assets are significantly dependent on uncertain future economic conditions. Our opinion is not modified in respect of this matter.	NA	NA
Fiscal 2023	NIL	NA	NA
Audited consolidated financial statements			
Fiscal 2019	NIL	NA	NA
Fiscal 2020	We draw attention to Note 53 to the accompanying consolidated financial statements, which describes significant uncertainties due to the outbreak of COVID-19 pandemic. The impact of the pandemic on the operations of the Group and its financial position as at 31 March 2020 including the measurement of expected credit losses on the loan assets are significantly dependent on uncertain future economic conditions. Our opinion is not modified in respect of this matter.	NA	NA
FY 2021	We draw attention to Note 54 to the accompanying consolidated financial statements, which describes significant uncertainties due to the outbreak of COVID-19 pandemic. The impact of the pandemic on the operations of the Group and its financial position as at 31 March 2021 including the measurement of expected credit losses on the loan assets are significantly dependent on uncertain future economic conditions. Our opinion is not modified in respect of this matter.	NA	NA
Fiscal 2022	We draw attention to Note 53 to the accompanying consolidated financial statements, which describes significant uncertainties due to the outbreak of COVID-19 pandemic. The impact of the pandemic on the operations of the Company and its financial position as at March 31, 2022 including the measurement of expected credit losses on the loan assets are significantly dependent on uncertain future economic conditions. Our opinion is not modified in respect of this matter.	NA	NA
Fiscal 2023	We draw attention to Note no. 54 to the consolidated financial statements which explain that, during the year, Taraashna Financial Services Limited (i.e. "TFSL") (amalgamating entity) was amalgamated with Satin Finserv Limited vide Hon'ble NCLT Order dated January 31, 2023. The scheme got effective from March 01, 2023. The Appointed Date of Scheme is April 01, 2021. By the effect of Appointed Date (i.e., April 01, 2021), the financial numbers of SFL for the financial year ended March 31, 2022, are also restated due to amalgamation of the merged entity i.e. TFSL with the SFL. We further draw attention to Note No 54 to the consolidated financial statements which explains that due to the amalgamation of the amalgamating entity with the SFL, which is registered as a Non-Banking Financial Company (NBFC), as on March 31, 2023, SFL is not fulfilling Principal Business Criteria laid down by the RBI. As per the criteria, at least 50% of total assets of the SFL should be financial assets and at least 50% of the gross income should be from financial activities. SFL meets the first criteria but does not meet the second criteria as on March 31,2023. However, the RBI vide letter dated July 22,2022, has granted time to SFL till March 31, 2024, for fulfilling the said criteria. Our opinion is not modified in respect of this matter.	NA	NA

Tax proceedings involving our Company and Subsidiaries

We have disclosed claims relating to direct and indirect taxes involving our Company and Subsidiaries, as on the date of this Preliminary Placement Document, giving details of number of cases and the total amount involved in such claims, to the extent quantifiable.

Nature of cases	Number of cases	Amount involved (in ₹ lakhs)
Tax litigation involving our Company		
Direct tax	3	225.99

Indirect tax	Nil	Nil
Total	**3**	**225.99**
Tax litigation involving our Subsidiaries		
Direct tax	Nil	Nil
Indirect tax	Nil	Nil
Total	**Nil**	**Nil**

Inquiries, inspections or investigations initiated or conducted (for which notices have been issued) under the Companies Act, 2013 in the last three years preceding the year of the Issue Documents, involving our Company and its Subsidiaries, and any prosecutions filed (whether pending or not), fines imposed, or offences compounded in the last three years immediately preceding the year of the Issue Documents, involving our Company and its Subsidiaries

As on the date of this Preliminary Placement Document, there have neither been any inquiries, inspections or investigations initiated or conducted (for which notices have been issued) under the Companies Act, 2013, against our Company and its Subsidiaries, nor any prosecutions filed, fines imposed, or offences compounded in the last three years immediately preceding the year of issue of this Preliminary Placement Document. However, the following notice and actions were taken against our company in the last three years immediately preceding the filing of this Preliminary Placement Document;

(i) Our Company had received certain notices from the BSE Limited dated September 28, 2022 pertaining to delay in the submission of certain intimations in the year 2021, in terms of Regulation 60(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and has consequently levied fines on the Company owing to the aforementioned delays. Our Company pursuant to its letter dated October 10, 2022 had requested the BSE Limited for waiving of said fines which were caused due to the delay in relevant filings occurred on account of exigencies arisen owing to COVID-19 pandemic and thereafter, after several communications, the Company had duly deposited fine with BSE Limited amounting to ₹50,000, plus applicable taxes.

(ii) Our Company had filed a compounding application dated March 3, 2021 with the Reserve Bank of India for certain violations in filing of advance remittance form and Form FC-GPR, in the matter of issuance of equity shares to its investors. The RBI had, vide order dated July 27, 2021, directed our Company to pay a sum of ₹ 44,000 as the compounding amount, and has accordingly compounded the matter.

(iii) Our Company had, by way of its BSE portal, received intimation of levy of fine imposed for non-compliance with Regulation 50(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. Accordingly, our Company has duly deposited the fine with BSE Limited amounting to ₹ 1,000 plus applicable taxes and intimated BSE Limited of the payment details vide letter dated December 2, 2023.

Material frauds committed against our Company and its Subsidiaries in the last three years, and if so, the action taken by our Company and Subsidiaries

There have been no material frauds committed against the Company and/or its Subsidiaries in the last three years and six months period ended September 30, 2023, preceding the date of this Preliminary Placement Document.

However, there have been few instances inter-alia, of misappropriation of funds, criminal breach of trust, embezzlement of cash by certain employees/borrowers in last three years and six months period ended September 30, 2023. Set out below are the details for the period indicated:

S. No.	Period ended	Amount Involved (in ₹ lakhs)
Company		
(1)	Fiscal 2021	238.44
(2)	Fiscal 2022	155.96
(3)	Fiscal 2023	126.04
(4)	September 30, 2023	13.83
Satin Finserv Limited		
(5)	Fiscal 2021	222.24
(6)	Fiscal 2022	0.22
(7)	Fiscal 2023	314.26
(8)	Fiscal 2023 (erstwhile TFSL)	76.14
(9)	September 30, 2023	Nil

Satin Housing Finance Limited		
(10)	Fiscal 2021	Nil
(11)	Fiscal 2022	
(12)	Fiscal 2023	
(13)	September 30, 2023	
Taraashna Financial Services Limited		
(14)	Fiscal 2021	22.04
(15)	Fiscal 2022	38.30

Our Company and/or Subsidiaries have initiated legal proceedings against certain persons including filing of FIRs in relation to the aforesaid matters of misappropriation of funds, criminal breach of trust, embezzlement of cash, and as on the date of this Preliminary Placement Document are pending in different forums

Significant and material order passed by the regulators, courts and tribunals impacting the going concern status of our Company on a consolidated basis

As on the date of this Preliminary Placement Document, there have been no significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company on a consolidated basis.

Default by our Company and its Subsidiaries, including therein the amount involved, duration of default and present status, in repayment of statutory dues, debentures and interest thereon, deposits and interest thereon and loan from any bank or financial institution and interest thereon.

As on the date of this Preliminary Placement Document, there have been no defaults by our Company and its Subsidiaries.

Default in annual filings of our Company under the Companies Act, 2013

As on the date of this Preliminary Placement Document, there have been no defaults in annual filings by our Company under the Companies Act, 2013.

Litigation or legal actions, pending or taken, by any ministry or department of the government or a statutory authority against the Promoters of our Company during the last three years immediately preceding the year of the Issue Documents, and any direction issued by such ministry or department or statutory authority upon conclusion of such litigation or legal action, if any.

As on the date of this Preliminary Placement Document, there have been no litigation or legal actions, pending or taken, by any ministry or department of the government or a statutory authority against the Promoters of our Company during the last three years immediately preceding the year of the Issue Documents, and there has been no direction issued by such ministry or department or statutory authority upon conclusion of such litigation or legal action.

STATUTORY AUDITORS

S S Kothari Mehta & Company, Chartered Accountants, our Statutory Auditors, as required by the Companies Act, 2013 and the relevant guidelines issued by RBI, have been appointed pursuant to the Shareholders' approval at the AGM held on August 11, 2021, for a period of three consecutive years.

The audited consolidated financial statements and the audited standalone financial statements of our Company as at and for each of the years ended March 31, 2022 and March 31, 2023, as included in this Preliminary Placement Document, were audited by, and the Unaudited Interim Condensed Consolidated Financial Statements, and the Unaudited Interim Condensed Standalone Financial Statements, as included in this Preliminary Placement Document, were prepared and reviewed by S S Kothari Mehta & Company, Chartered Accountants, the Statutory Auditors, appointed by our Company pursuant to a shareholders' resolution dated August 11, 2021. The Unaudited Interim Condensed Financial Statements are condensed financial statements, prepared in accordance with the recognition and measurement principles laid down as per the requirements of Ind AS 34 "Interim Financial Reporting" specified under section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India.

The audited consolidated financial statements and the audited standalone financial statements of our Company as at and for the year ended March 31, 2021, as included in this Preliminary Placement Document, were audited by Walker Chandiok & Co LLP, Chartered Accountants, our Previous Statutory Auditors, appointed by our Company pursuant to a shareholders' resolution dated July 6, 2017.

The Audited Financial Statements, along with their respective audit reports and Unaudited Interim Condensed Financial Statements along with their respective review reports, are included in this Preliminary Placement Document in "***Financial Information***" section on page 302.

GENERAL INFORMATION

- Our Company was incorporated as Satin Leasing and Finance Private Limited, at New Delhi as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated October 16, 1990 issued by the Registrar of Companies, Delhi and Haryana. Our Company was converted into a public limited company pursuant to a fresh certificate of incorporation issued on July 1, 1994, by the RoC. Pursuant to a certificate of registration issued by the RBI on December 4, 1998, our Company was registered as an NBFC. Subsequently, the name of our Company was changed to Satin Creditcare Network Limited and a fresh certificate of incorporation was issued on April 10, 2000 by the RoC. Pursuant to the change in name of our Company from Satin Leasing and Finance Limited to Satin Creditcare Network Limited, the RBI issued a certificate of registration to the Company on November 2, 2000 as an NBFC. Further, our Company was issued a fresh certificate of registration by the RBI on February 4, 2009, enabling it to carry on the business of an NBFC without accepting public deposits. Subsequently, our Company was converted to an NBFC-MFI, and a fresh certificate of registration was issued by the RBI on November 6, 2013 under Section 45-IA of the RBI Act, 1934, to carry on the business of non-banking financial institution without accepting public deposits. Our Company, currently registered as an NBFC-MFI, is classified as a systemically important non-deposit taking NBFC.

- Our Registered Office is located at 5th Floor, Kundan Bhawan, Azadpur Commercial Complex, Azadpur, North West, Delhi-110033, India.

- Our Corporate Office is located at Plot No. 492, Udyog Vihar Phase-III, Gurugram-122016, Haryana, India.

- The CIN of the Company is L65991DL1990PLC041796.

- Our Equity Shares were listed on BSE on October 20, 2015 and on NSE on August 26, 2015.

- The authorised share capital of our Company is ₹ 20,000 lakhs (Rupees Twenty Thousand Lakhs only) divided into 12,50,00,000 (Twelve Crore and Fifty Lakhs) Equity Shares of ₹ 10/- (Rupees Ten only) each and 7,50,00,000 (Seven Crore and Fifty Lakhs) Preference Shares of ₹ 10/- (Rupees Ten only) each.

- The Issue was authorised and approved by our Board on October 19, 2023 and approved by the shareholders in their extra ordinary general meeting dated November 27, 2023.

- Our Company has received in-principle approvals to list the Equity Shares to be issued pursuant to the Issue from both BSE and NSE on December 14, 2023, under Regulation 28(1) of the SEBI Listing Regulations.

- In compliance with Regulation 173A of the SEBI ICDR Regulations, our Company has appointed India Ratings and Research Private Limited as the Monitoring Agency, for monitoring the utilisation of the proceeds in relation to the Issue. The Monitoring Agency will submit its report to us on a quarterly basis in accordance with the SEBI ICDR Regulations.

- Our Company has obtained necessary consents, approvals and authorizations required in connection with the Issue.

- Except as disclosed in this Preliminary Placement Document, there has been no material change in the financial or trading position of our Company since September 30, 2023, the date of the Unaudited Interim Condensed Financial Statements.

- Except as disclosed in this Preliminary Placement Document, there are no outstanding legal or arbitration proceedings against or affecting our Company or its assets or revenues, nor is our Company aware of any pending or threatened legal or arbitration proceedings, which is material in terms of "***Policy on Materiality Threshold for Disclosure of Litigation Proceedings in the Issue Documents***", as adopted by our Board. For further details, see "***Legal Proceedings***" on page 292.

- As on the date of this Preliminary Placement Document, S S Kothari Mehta & Company, Chartered Accountants are the statutory auditor of our Company.

- The Audited Financial Statements for the financial year ended March 31, 2021, were reviewed by Walker Chandiok & Co LLP, Chartered Accountants, the Previous Statutory Auditors of our Company.

- Copies of the Memorandum and Articles of Association of our Company will be available for inspection between 10:00 A.M. to 5:00 P.M. any weekday (except Saturdays and public holidays) during the Bid/Issue Period at our Registered and Corporate Offices.

- Our Company confirms that it is in compliance with the minimum public shareholding requirements as required under the SEBI Listing Regulations, SCRA and the SCRR.

- The Floor Price for the Equity Shares under the Issue is ₹ 242.81 per Equity Share which has been calculated in accordance with Chapter VI of the SEBI ICDR Regulations.

- Our Company may offer a discount of not more than 5% on the Floor Price of ₹ 242.81 per Equity Share, in terms of Regulation 176 of the SEBI ICDR Regulations**.**

- The details of our Company Secretary and Chief Compliance Officer are as follows:

  Vikas Gupta
  Plot No. 492,
  Udyog Vihar Phase-III,
  Gurugram-122016,
  Haryana, India
  Telephone: 0124 4715400
  E-mail: secretarial@satincreditcare.com

FINANCIAL INFORMATION

Index to Financial Statements

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INDEPENDENT AUDITOR'S REPORT

To the Members of Satin Creditcare Network Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Opinion

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

2) In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('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 of the Company as at 31 March 2021, and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3) 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 ('the 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 Matter – COVID 19

4) We draw attention to Note 54 to the accompanying Statement, which describes significant uncertainties due to the outbreak of COVID-19 pandemic. The impact of the pandemic on the operations of the Company and its financial position as at 31 March 2021 including the measurement of expected credit losses on the loan assets are significantly dependent on uncertain future economic conditions. Our opinion is not modified in respect of this matter.

Key Audit Matters

5) Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

6) We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Use of information processing system for accounting and financial reporting	
The Company relies upon information processing systems for recording, processing, classifying and presenting the large volume of transactions entered into by the Company. The Company has put in place IT General Controls and automated IT Controls to ensure that the information produced by the Company is reliable. Also, during the current year, the management carried out changes to the IT infrastructure and accounting system to implement moratorium relief extended during the year to the customers. Among other things, the management also uses the information produced by the entity's information processing systems for accounting and the preparation and presentation of the financial statements. The Company's accounting and financial reporting processes are dependent on automated controls enabled by IT systems which impacts key financial accounting and reporting items such as loans, interest income, impairment on loans amongst others. The controls implemented by the Company	Our key audit procedures on this matter included, but were not limited, to the following: (a) obtained an understanding of the Company's information processing systems, IT General Controls and automated IT controls for applications, databases and operating systems relevant to our audit; (b) Also, obtained an understanding of the changes that were made to the IT applications during the audit period on account of moratorium relief extended to its customers; (c) involved IT specialists (auditor's expert) for performance of the following procedures: (i) tested the IT General Controls around user access management, changes to IT environment and segregation of duties around program maintenance, security administration and over key financial accounting and reporting processes;

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>in its IT environment determine the integrity, accuracy, completeness and validity of data that is processed by the applications and is ultimately used for financial reporting.

Since our audit strategy included focus on entity's information processing systems relevant to our audit due to their pervasive impact on the standalone financial statements, we have determined the use of information processing system for accounting and financial reporting as a key audit matter for the current year audit.</td><td>(ii) tested the Company's periodic review of access rights. We also tested requests of changes to systems for approval and authorization; and

(iii) tested the automated controls like interfaces, configurations and information generated by the entity's information processing systems for loans, interest income and other significant financial statement items.

(d) obtained written representations from management and those charged with governance on whether IT general controls and automated IT controls are designed and were operating effectively during the period covered by our audit.</td></tr>
<tr><td colspan="2">Expected Credit Losses on loans and implementation of COVID-19 relief measures</td></tr>
<tr><td colspan="2">[Refer Note 3(k) for the accounting policy and Note 43 for the related disclosures]</td></tr>
<tr><td>As at 31 March 2021, the Company has financial assets (loans) amounting to ₹ 551,496.23 lakh including loans which are carried at fair value through other comprehensive income amounting to ₹ 505,504.25 lakh. As per Ind AS 109- Financial Instruments, the Company is required to recognize allowance for expected credit losses on financial assets.

Expected credit loss cannot be measured precisely but can only be estimated through use of statistics. The calculation of expected credit losses is complex and requires exercise of judgment around both the timing of recognition of impairment provisions and estimation of the amount of provisions required in relation to loss events.

The expected credit loss is calculated using the percentage of probability of default (PD), loss given default (LGD) and exposure at default (EAD) for each of the stages of loan portfolio.

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. Significant management judgment and assumptions involved in measuring ECL is required with respect to:
• determining the criteria for a significant increase in credit risk
• factoring in future economic assumptions
• techniques used to determine probability of default, loss given default and exposure at default.

These parameters are derived from the Company's internally developed statistical models with the help of management's experts and other historical data.

COVID-19

During the current year, RBI announced various relief measures for the borrowers which were implemented by the Company such as "COVID 19 Regulatory Package- Asset Classification and Provisioning" announced by the RBI on 17 April 2020 and RBI circular on "Asset Classification and Income Recognition following the expiry of Covid-19 regulatory package" dated 7 April 2021 (collectively referred to as 'the RBI circulars'), and "Resolution Framework for COVID-19 related Stress" (the 'Resolution Framework') dated on 6 August 2020, which have been collectively considered by the management in identification, classification and provisioning of loan assets for impairment.</td><td>Our audit focused on assessing the appropriateness of management's judgment and estimates used in the impairment analysis through the following procedures, but were not limited to the following procedures:

a) performed a walkthrough of the impairment loss allowance process and assessed the design effectiveness of controls;

b) obtained an understanding of the model adopted by the Company including key inputs and assumptions for calculation of expected credit losses including the impact of COVID 19 on the assumptions and how management calculated the expected credit losses and the appropriateness data on which the calculation is based;

c) Obtained the reports of the management's expert and assessed the expert's professional competence, independence and objectivity in developing the ECL model;

d) obtained the policy on moratorium of loans approved by the Board of Directors pursuant to the RBI circulars and ensured such policy is in compliant with the requirements of the RBI circular;

e) evaluated the appropriateness of the Company's determination of significant increase in credit risk in accordance with the applicable accounting standard considering the impact of COVID-19 on account of benefit extended by the Company to select borrowers and the basis for classification of various exposures into various stages;

f) as modeling assumptions and parameters are based on historical data, we assessed whether historical experience was representative of current circumstances and was relevant in view of the recent impairment losses incurred within the portfolios;

g) tested the design and operating effectiveness of the key controls over completeness and accuracy of the key inputs and assumptions considered for calculation, recording and monitoring of the impairment loss recognized;

h) tested the accuracy of inputs through substantive procedures and assessed the reasonableness of the assumptions used;</td></tr>
</table>

Key audit matter	How our audit addressed the key audit matter
The management has considered the impact of COVID-19 on arriving at the provisions as at the balance sheet date on account of significant increase in credit risk on customers given additional support by the Company which were impacted due to COVID-19. The basis of estimates and assumptions involved in arriving at the provisions during the year were monitored by the Company periodically and significantly depend on future developments in the economy due to COVID-19 including any new relief measures' announcements by the RBI. Considering the significance of the above matter to the standalone financial statements and since the matter required our significant attention to test the calculation of expected credit losses, we have identified this as a key audit matter for current year audit. We also draw attention to Note 54 of the accompanying standalone financial statements, regarding uncertainties involved due to outbreak of COVID-19 pandemic with respect to the measurement of expected credit loss on such loan assets which are significantly dependent on uncertain future developments as the same is fundamental to the understanding of the users of financial statements.	i) developed a point estimate by making reference to the expected credit losses recognized by entities that carry comparable financial assets; j) tested the arithmetical calculation of the expected credit losses; k) assessed the appropriateness and adequacy of the related presentation and disclosures in the accompanying financial statements in accordance with the applicable accounting standards and related RBI circulars and Resolution Framework; and l) obtained written representations from management and those charged with governance whether they believe significant assumptions used in calculation of expected credit losses are reasonable.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

7) The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

   Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

   In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

   When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE STANDALONE FINANCIAL STATEMENTS

8) The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

9) 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.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

11) Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 standalone financial statements.

12) As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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;
- 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 with reference to financial statements in place and the operating effectiveness of such controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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; and
- 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.

13) 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.

14) 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.

15) From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

16) As required by section 197(16) of the Act, based on our audit, 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.

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

18) Further to our comments in Annexure A, as required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, 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 of the accompanying standalone financial statements;

   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 standalone financial statements dealt with by this report are in agreement with the books of account;

   d) in our opinion, the aforesaid standalone financial statements comply with 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 31 March 2021 from being appointed as a director in terms of section 164(2) of the Act;

   f) we have also audited the internal financial controls with reference to standalone financial statements of the Company as on 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 14 June 2021 as per Annexure B expressed unmodified opinion; and

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

      i) the Company, as detailed in note 51 to the standalone financial statements, has disclosed the impact of pending litigation(s) on its financial position as at 31 March 2021;

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

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

      iv) the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Manish Gujral
Partner
Membership No.: 105117
UDIN: 21105117AAAADK6866
Place: Mumbai
Date: 14 June 2021

ANNEXURE A

Annexure A to the Independent Auditor's Report of even date to the members of Satin Creditcare Network Limited, on the standalone financial statements for the year ended 31 March 2021

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) The Company has a regular program of physical verification of its property, plant and equipment under which fixed assets are verified in a phased manner over a period of 3 years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.

(c) The title deeds of all the immovable properties (which are included under the head 'Property, plant and equipment') are held in the name of the Company except for the following property which was transferred as a result of an amalgamation of companies as stated in the Note 14 to the Standalone Financial Statements wherein the title deeds are in the name of the erstwhile Company:

(Amount in ₹ lakhs)

Nature of property	Total number of cases	Whether leasehold / freehold	Gross block as on 31 March 2021	Net block as on 31 March 2021	Remarks
Building	1	Freehold	292.00	149.02	The said property is in the name of Satin Intellicomm Limited, an erstwhile Company that merged with the Company.

(ii) The Company does not have any inventory. Accordingly, the provisions of Clause 3(ii) of the Order are not applicable.

(iii) The Company has granted secured and unsecured loans to companies covered in the register maintained under Section 189 of the Act; and with respect to the same:

a) in our opinion the terms and conditions of grant of such loans are not, *prima facie*, prejudicial to the Company's interest;

b) the schedule of repayment of principal and payment of interest has been stipulated and, in our opinion, repayments/ receipts of the principal amount and the interest are regular; and

c) there is no overdue amount in respect of loans granted to such companies.

(iv) In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees and security.

(v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of Clause 3(v) of the Order are not applicable.

(vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's services. Accordingly, the provisions of Clause 3(vi) of the Order are not applicable.

(vii) a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.

b) The dues outstanding in respect of income-tax, sales-tax, service-tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

Statement of Disputed Dues

Name of the statute	Nature of dues	Amount (₹ in lakhs)	Amount paid under protest (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending	Remarks
Income-tax Act, 1961	Income-tax	194.63	Nil	Assessment year 2018-19	Deputy Commissioner of Income-tax, CPC	Subsequent to the balance sheet date, the Company received demand notice under section 143(3) against which the Company is in process of filing appeal to National Faceless Appeal Center (NFAC)

(viii) The Company has not defaulted in repayment of loans or borrowings to any bank or financial institution or debenture holders during the year. The Company did not have any outstanding loans or borrowings payable to government during the year.

(ix) In our opinion and according to the information and explanations given to us, the Company has applied amount raised by way of right issue and term-loans for the purposes for which these were raised other than temporary deployment pending application of proceeds.

(x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit except for few instances of misappropriation of cash collected from customers and other forms of embezzlement of cash by the employees, involving amounts aggregating ₹ 117.47 lakhs as mentioned in Note 58. The Company has terminated the services of such employees and also initiated legal action against them. The Company has recovered ₹ 12.67 lakhs from 20 employees

(xi) Managerial remuneration has been paid and provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.

(xii) In our opinion, the Company is not a *Nidhi* Company. Accordingly, provisions of Clause 3(xii) of the Order are not applicable.

(xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.

ANNEXURE A (Contd.)

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

(xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

(xvi) The Company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and such registration has been obtained by the Company.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.: 001076N/N500013

Manish Gujral
Partner
Membership No.: 105117
UDIN: 21105117AAAADK6866

Place: Mumbai
Date: 14 June 2021

ANNEXURE B

Annexure B to the Independent Auditor's Report of even date to the members of Satin Creditcare Network Limited on the standalone financial statements for the year ended 31 March 2021

Independent Auditor's Report on the Internal Financial Controls with reference to the Standalone Financial Statements 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 Standalone Financial Statements of Satin Creditcare Network Limited ('the Company') as at and for the year ended 31 March 2021, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2) The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the Guidance Note') issued by the Institute of Chartered Accountants of India ('the ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of 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.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3) Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, 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 internal financial controls with reference to financial statements 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 internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, 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 internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

6) A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

7) Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the

internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8) In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.: 001076N/N500013

Manish Gujral
Partner
Membership No.: 105117
UDIN: 21105117AAAADK6866

Place: Mumbai
Date: 14 June 2021

STANDALONE BALANCE SHEET

AS AT MARCH 31, 2021

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
Financial assets			
Cash and cash equivalents	4	1,12,068.58	1,10,732.02
Bank balances other than cash and cash equivalents	5	74,195.31	65,434.15
Derivative financial instruments	6	34.13	673.63
Trade receivables	7	1,460.92	613.14
Loans	8	5,51,496.23	4,70,939.10
Investments	9	28,318.30	51,333.45
Other financial assets	10	3,156.42	1,758.77
		7,70,729.89	**7,01,484.26**
Non-financial assets			
Current tax assets (net)	11	-	3,152.99
Deferred tax assets (net)	12	4,609.86	-
Investment Property	13	693.73	-
Property, plant and equipment	14	8,384.37	5,241.24
Capital work-in-progress	14	364.96	3,413.64
Other intangible assets	15	288.79	378.17
Other non-financial assets	16	2,379.82	1,752.61
		16,721.53	**13,938.65**
TOTAL ASSETS		**7,87,451.42**	**7,15,422.91**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Payables			
Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises	17	-	81.38
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		792.62	300.99
Other payables	18		
(i) total outstanding dues of micro enterprises and small enterprises		223.90	227.71
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1,434.68	1,220.08
Debt securities	19	1,70,507.14	86,386.14
Borrowings (other than debt securities)	20	3,81,643.15	4,00,213.72
Subordinated liabilities	21	50,412.79	54,308.13
Other financial liabilities	22	30,432.44	24,400.91
		6,35,446.72	**5,67,139.06**
Non-financial liabilities			
Current tax liabilities (net)	23	893.52	-
Provisions	24	1,316.16	1,086.40
Deferred tax liabilities (net)	12	-	1,142.04
Other non-financial liabilities	25	689.79	778.45
		2,899.47	**3,006.89**
EQUITY			
Equity share capital	26	6,647.12	5,171.27
Other equity	27	1,42,458.11	1,40,105.69
		1,49,105.23	**1,45,276.96**
TOTAL LIABILITIES AND EQUITY		**7,87,451.42**	**7,15,422.91**

Statement of significant accounting policies and other explanatory notes.

This balance sheet referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No. 001076N/N500013

Manish Gujral
Partner
Membership Number: 105117

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

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

Satvinder Singh
(Director)
DIN: 00332521
Place : Gurugram

Sanjay Kumar Bhatia
(Chairman Audit Committee cum Director)
DIN: 07033027
Place : Dehradun

Vipul Sharma
(Company Secretary & Compliance Officer)
Membership Number: A27737

Rakesh Sachdeva
(Chief Financial Officer)
Place : Gurugram

Place : Mumbai
Date : June 14, 2021

Place : Gurugram
Date : June 14, 2021

STANDALONE STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2021

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
I. INCOME			
Revenue from operations			
Interest income	28	1,11,686.08	1,07,844.38
Dividend income	29	-	2.21
Fees and commission income	30	4,169.16	7,078.65
Net gain on fair value changes	31	-	1,237.44
Net gain on derecognition of financial instruments	32	11,042.73	23,608.14
Other operating income	33	204.93	186.29
Total revenue from operations		**1,27,102.90**	**1,39,957.11**
Other income	34	204.62	133.30
Total income		**1,27,307.52**	**1,40,090.41**
II. EXPENSES			
Finance costs	35	61,760.83	57,686.12
Net loss on fair value changes	31	645.30	-
Impairment on financial instruments	36	27,521.24	18,882.89
Employee benefits expenses	37	28,141.88	29,666.79
Depreciation and amortization	38	1,301.32	1,519.84
Other expenses	39	8,913.23	11,018.01
Total expenses		**1,28,283.80**	**1,18,773.65**
(Loss)/profit before tax		**(976.28)**	**21,316.76**
Tax expense:	40		
Current tax		4,962.74	5,474.97
Deferred tax charge		(4,583.53)	215.08
Total		**379.21**	**5,690.05**
(Loss) / profit after tax		**(1,355.49)**	**15,626.71**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurements of the defined benefit plans		(86.62)	87.80
Income tax relating to above items		21.80	(22.10)
	A	**(64.82)**	**65.70**
Items that will be reclassified to profit or loss			
Changes in fair value of loan assets		(4,489.73)	5,771.41
Income tax relating to above item		1,129.99	(1,452.55)
Cash flow hedge reserve		(65.89)	93.37
Income tax relating to above item		16.58	(23.50)
	B	**(3,409.05)**	**4,388.73**
Other comprehensive income	**A+B**	**(3,473.87)**	**4,454.43**
Total comprehensive income for the period		**(4,829.36)**	**20,081.14**
Earnings per equity share (face value of ₹ 10 per equity share)	41		
Basic (₹)		(2.19)	29.07
Diluted (₹)		(2.19)	28.93

Statement of significant accounting policies and other explanatory notes.

This statement of profit and loss referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No. 001076N/N500013

Manish Gujral
Partner
Membership Number: 105117

Place : Mumbai
Date : June 14, 2021

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

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

Satvinder Singh
(Director)
DIN: 00332521
Place : Gurugram

Sanjay Kumar Bhatia
(Chairman Audit Committee cum Director)
DIN: 07033027
Place : Dehradun

Vipul Sharma
(Company Secretary & Compliance Officer)
Membership Number: A27737

Rakesh Sachdeva
(Chief Financial Officer)
Place : Gurugram

Place : Gurugram
Date : June 14, 2021

STANDALONE CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2021

(All amounts in ₹ lakhs, unless otherwise stated)

	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
A	CASH FLOW FROM OPERATING ACTIVITIES		
	(Loss)/profit before tax	(976.28)	21,316.76
	Adjustments for:		
	Depreciation and amortization	994.09	1,032.71
	Depreciation of right-of-use assets	307.23	487.13
	Net gain on derecognition of property, plant and equipment	(9.37)	(2.90)
	Fair value gain on mutual funds	(4.91)	(1,368.20)
	Unrealized (gain)/loss on fair value changes of derivatives and investments	650.21	130.76
	Property, plant and equipment written off	6.05	-
	Impairment on financial instruments	27,521.24	18,882.89
	Dividend income	-	(2.21)
	Gain on sale of loan portfolio through assignment	(11,042.73)	(23,608.14)
	First loss default guarantee expenses	1,155.20	1,278.78
	Share based payment to employees	19.02	147.97
	Effective interest rate adjustment for financial instruments	2,198.58	2,087.29
	Interest expense for leasing arrangements	78.58	161.98
	Net gain on termination of leases	(5.41)	(45.32)
	Corporate guarantee premium income	(7.23)	(0.38)
	Unrealized exchange fluctuation loss (net)	(381.17)	188.49
	Operating profit before working capital changes	**20,503.10**	**20,687.61**
	Movement in working capital		
	(Increase)/decrease in trade receivables	(847.78)	38.42
	Increase in loans	(1,01,293.09)	(13,987.33)
	(Increase)/decrease in deposits	(8,761.16)	3,962.37
	Increase in other financial assets	(1,727.63)	(157.49)
	Increase in other non-financial assets	(707.36)	(1,048.32)
	Increase in trade and other payables	621.04	630.64
	Increase/(decrease) in other financial liabilities	4,883.56	(4,470.80)
	Increase/(decrease) in provisions	143.14	(180.24)
	(Decrease)/increase in other non-financial liabilities	(154.55)	83.76
	Cash (used in)/generated from operating activities post working capital changes	**(87,340.73)**	**5,558.62**
	Income tax paid (net)	(916.23)	(7,261.85)
	Net cash used in operating activities (A)	**(88,256.96)**	**(1,703.23)**
B	CASH FLOWS FROM INVESTING ACTIVITIES		
	Purchase of property, plant and equipment, capital work-in-progress and intangible assets	(1,907.88)	(3,134.69)
	Proceeds from sale of property, plant and equipment and intangible assets	30.09	15.50
	Investment made in subsidiaries	(1,500.00)	(11,000.00)
	Sale of other investments (net)	24,509.35	3,234.99
	Net cash generated from/(used in) investing activities (B)	**21,131.56**	**(10,884.20)**

STANDALONE CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

(All amounts in ₹ lakhs, unless otherwise stated)

	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
C	**CASH FLOWS FROM FINANCING ACTIVITIES (refer to note (i) below)**		
	Proceeds from issue of share capital and share warrants (including premium and net of share issue expenses)	8,736.33	4,547.26
	Proceeds from debt securities	1,05,362.02	21,413.18
	Repayment of debt securities	(21,542.85)	(32,852.45)
	Proceeds from borrowings other than debt securities	2,40,212.47	2,98,029.30
	Repayment of borrowings other than debt securities	(2,57,285.07)	(2,80,954.11)
	Lease payments	(352.74)	(553.20)
	Proceeds from subordinated liabilities	304.77	7,893.53
	Repayment of subordinated liabilities	(4,169.77)	(2,469.76)
	Net cash generated from financing activities (C)	**71,265.16**	**15,053.75**
	Net increase in cash and cash equivalents (A+B+C)	4,139.76	2,466.32
	Cash and cash equivalents at the beginning of the year (refer to note (ii) below)	96,938.85	94,472.53
	Cash and cash equivalents at the end of the year	**1,01,078.61**	**96,938.85**

i) *Refer note 21 for reconciliation of liabilities arising from financing activities.*

ii) *Refer note 5 for restricted cash and cash equivalent.*

Notes:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Cash and cash equivalents (as per note 4 to the financial statements)	1,12,068.58	1,10,732.02
Less: Overdraft facility against term deposits (as per note 20 to the financial statements)	(10,989.97)	(13,793.17)
	1,01,078.61	**96,938.85**

Statement of significant accounting policies and other explanatory notes.

This statement of cash flow referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No. 001076N/N500013

Manish Gujral
Partner
Membership Number: 105117

Place : Mumbai
Date : June 14, 2021

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

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

Satvinder Singh
(Director)
DIN: 00332521
Place : Gurugram

Sanjay Kumar Bhatia
(Chairman Audit Committee cum Director)
DIN: 07033027
Place : Dehradun

Vipul Sharma
(Company Secretary & Compliance Officer)
Membership Number: A27737

Rakesh Sachdeva
(Chief Financial Officer)
Place : Gurugram

Place : Gurugram
Date : June 14, 2021

STANDALONE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2021

(All amounts in ₹ lakhs, unless otherwise stated)

A. Equity share capital (refer note 26)

Particulars	Balance as at April 1, 2019	Change during the year	Balance as at March 31, 2020	Change during the year	Balance as at March 31, 2021
Equity share capital	4,853.07	318.20	5,171.27	1,475.85	6,647.12

B. Other equity (Refer note 27)

Particulars	Equity component of compound financial instruments	Reserves and Surplus						Equity instruments through other comprehensive income	Change in fair value of loan assets through other comprehensive income	Cash flow hedge reserve	Money received against share warrants	Total
		Statutory reserves	Securities premium	General reserve	Capital redemption reserve	Share options outstanding account	Retained earnings					
Balance as at April 1, 2019	**34.96**	**6,841.05**	**83,342.21**	**29.94**	**277.00**	**476.63**	**15,241.50**	**(5.00)**	**2,550.33**	**-**	**1,500.00**	**1,10,288.62**
Profit for the year	-	-	-	-	-	-	15,626.71			-	-	15,626.71
Other comprehensive income (net of tax)	-	-		-	-	-	65.70	-	4,318.86	69.87	-	4,454.43
Issue of equity shares	-	-	11,039.74	-	-	-	-	-	-	-	(1,500.00)	9,539.74
Transfer to statutory reserves	-	3,125.34	-	-	-	-	(3,125.34)	-	-	-	-	-
Conversion of optionally convertible redeemable preference shares	(34.96)	-	34.96	-	-	-	-	-	-	-	-	-
Share based payment to employees	-	-	131.83	-	-	64.36	-	-	-	-	-	196.19

STANDALONE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Equity component of compound financial instruments	Reserves and Surplus						Equity instruments through other comprehensive income	Change in fair value of loan assets through other comprehensive income	Cash flow hedge reserve	Money received against share warrants	Total
		Statutory reserves	Securities premium	General reserve	Capital redemption reserve	Share options outstanding account	Retained earnings					
Balance as at March 31, 2020	**-**	**9,966.39**	**94,548.74**	**29.94**	**277.00**	**540.99**	**27,808.57**	**(5.00)**	**6,869.19**	**69.87**	**-**	**1,40,105.69**
Loss for the year	-	-	-	-	-		(1,355.49)	-	-	-	-	(1,355.49)
Other comprehensive income (net of tax)	-	-	-	-	-	-	(64.82)	-	(3,359.74)	(49.31)	-	(3,473.87)
Issue of equity shares (net of share issue expenses)	-	-	7,260.80	-	-	-	-	-	-	-	-	7,260.80
Transfer to statutory reserves	-	-	-	-	-	-	-	-	-	-	-	-
Transfer from share options outstanding account	-	-	-	-	-	(244.54)	244.54	-	-	-	-	-
Profit of ESOP trust	-	-	-	-	-	-	(0.34)	-		-	-	(0.34)
Share based payment to employees	-	-	-	-	-	(78.68)	-	-	-	-	-	(78.68)
Balance as at March 31, 2021	**-**	**9,966.39**	**1,01,809.54**	**29.94**	**277.00**	**217.77**	**26,632.46**	**(5.00)**	**3,509.45**	**20.56**	**-**	**1,42,458.11**

Statement of significant accounting policies and other explanatory notes.

This statement of changes in Equity referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No. 001076N/N500013

Manish Gujral
Partner
Membership Number: 105117

Place : Mumbai
Date : June 14, 2021

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

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

Satvinder Singh
(Director)
DIN: 00332521
Place : Gurugram

Sanjay Kumar Bhatia
(Chairman Audit Committee cum Director)
DIN: 07033027
Place : Dehradun

Vipul Sharma
(Company Secretary & Compliance Officer)
Membership Number: A27737

Rakesh Sachdeva
(Chief Financial Officer)
Place : Gurugram

Place : Gurugram
Date : June 14, 2021

1. COMPANY OVERVIEW

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

2. BASIS OF PREPARATION

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

These standalone financial statements ("the Financial Statements") have been prepared in accordance with the Indian Accounting Standards ('Ind AS') as notified by Ministry of Corporate Affairs ('MCA') under Section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act. The Company has uniformly applied the accounting policies for all the periods presented in this financial statements.

The financial statements for the year ended March 31, 2021 were authorized and approved for issue by the Board of Directors on June 14, 2021.

(ii) Historical cost convention

The financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India. Further, the financial statements have been prepared on a historical cost basis, except for fair value through other comprehensive income (FVOCI) instruments, derivative financial instruments, and financial assets and liabilities designated at fair value through profit or loss (FVTPL), all of which have been measured at fair value. Further the carrying values of recognized assets and liabilities that are hedged items in fair value hedges, and otherwise carried at amortized cost, are adjusted to record changes in fair value attributable to the risks that are being hedged.

(iii) Going Concern

Management is of the view that having regard to the projections of the business prospects, Company shall be able to continue as a going concern. Accordingly, management considers it appropriate to prepare these financials statements on a going concern basis.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared using the significant accounting policies and measurement bases summarized as below. These policies are applied consistently for all the periods presented in the financial statements.

a) Property, plant and equipment

Recognition and initial measurement

Property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are recognized in statement of profit and loss.

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

Property, plant and equipment are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation on property, plant and equipment is provided on the written down value method over the useful life of the assets as prescribed under Part 'C' of Schedule II of the Companies Act, 2013.

Asset class	Useful life
Building	60 years
Electrical Equipment	10-25 years
Office equipment	5 years
Computer equipment	3-6 years
Furniture and fixtures	10 years
Vehicles	8-10 years

The Company, based on technical assessment made by technical expert and management estimate, depreciates the solar plant and fire plant under the head "Electrical Equipment" over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

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 recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in the statement of profit and loss, when the asset is de-recognized.

Capital work-in-progress

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

b) Investment property

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognized in profit or loss as incurred.

The Company depreciates building component of investment property over 60 years from the date of original purchase.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer.

Investment properties are derecognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of de-recognition.

c) Intangible assets

Recognition and initial measurement

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

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

Intangible assets are amortized over a period of 3-5 years from the date when the assets are available for use. The estimated useful life (amortization 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 amortization period is revised to reflect the changed pattern, if any.

d) Intangible assets under development

Intangible assets under development represents expenditure incurred in respect of intangible assets under development and are carried at cost. Cost includes development cost, borrowing costs and other direct expenditure necessary to create, produce and prepare the asset to be capable of operating in the manner intended by management. These are recognized as assets when the Company can demonstrate following recognition requirements:

- The development costs can be measured reliably
- The project is technically and commercially feasible
- The Company intends to and has sufficient resources to complete the project
- The Company has the ability to use or sell such intangible asset
- The asset will generate probable future economic benefits.

Amortization of the asset begins when development is complete and the asset is available for use.

e) Revenue recognition

Interest income on loans

The Company recognizes interest income using Effective Interest Rate (EIR) on all financial assets subsequently measured at amortized cost or fair value through other comprehensive income (FVOCI). EIR is calculated by considering any fees and all incremental costs that are directly attributable to acquisition of a financial asset and it represents a rate that exactly discounts estimated future cash payments/receipts through the expected life of the financial asset to the gross carrying amount of a financial asset or to the amortized cost of a financial liability.

The Company recognizes interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. In case of credit-impaired financial assets regarded as 'Stage 3', the Company recognizes interest income on the net amortized cost of financial assets at EIR. If financial asset is no longer credit-impaired Company reverts to calculating interest income on a gross basis.

Additional interest/overdue interest/penal charges are recognized only when it is reasonably certain that the ultimate collection will be made.

Income from assignment transactions

Income from assignment transactions i.e. present value of excess interest spread is recognized when the related loan assets are de-recognized. Interest income is also recognized on carrying value of assets over the remaining period of such assets.

Commission income

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

Dividend income

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

Miscellaneous income

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

f) Borrowing costs

Borrowing cots consists of interest and other cost that the Company incurred in connection with the borrowing of funds. Borrowing costs charged to the Statement of Profit and Loss on the basis of effective interest rate method.

g) Taxation

I. Current tax: Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, in accordance with the Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS) prescribed therein. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current tax relating to items recognized outside profit or loss is recognized in correlation to the underlying transaction either in OCI or directly in other equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

II. Deferred Tax: Deferred tax is provided using the Balance Sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for deductible temporary differences to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets, if any, are reassessed at each reporting date and are recognized 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 realized 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 recognized outside profit or loss is recognized either in OCI or in other equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority. Tax expense recognized in Statement of Profit and Loss comprises the sum of deferred tax and current tax except to the extent it recognized in other comprehensive income or directly in equity.

h) Employee benefits

Short-term employee benefits

Short-term employee benefits including salaries, short term compensated absences (such as a paid annual leave) where the absences are expected to occur within twelve months after the end of the period in which the employees render the related service, profit sharing and bonuses payable within twelve months after the end of the period in which the employees render the related services and non-monetary benefits for current employees are estimated and measured on an undiscounted basis.

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

Defined contribution plans

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

Defined benefit plans

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

Other long-term employee benefits

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

i) Share based payments

The Company has formulated an Employees Stock Option Schemes to be administered through a Trust. The stock options granted to employees pursuant to the Company's Stock Options Schemes, are measured at the fair value of the options at the grant date. The fair value of options granted under Employee Stock Option Plan is recognized as an employee benefits expense with a corresponding increase in other equity. The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the Company revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognizes the impact of the revision to original estimates, if any, in Statement of Profit and Loss, with a corresponding adjustment to equity.

j) Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. Recoverable amount is higher of an asset's net selling price and its value in use. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss. If at the reporting date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

Compensation for impairment

Compensation from third parties for items of property, plant and equipment that were impaired, lost or given up are recognized in statement of profit and loss when the compensation becomes receivable.

Financial Guarantees

Financial guarantees are initially recognized at fair value. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization.

The premium received (if any) is recognized as income on a straight-line basis over the life of the guarantee.

k) Impairment of financial assets

The Company is recording the allowance for expected credit losses for all loans at amortized cost and FVOCI and other debt financial assets not held at FVTPL

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL). The Company's policies for determining if there has been a significant increase in credit risk.

Loan assets

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

- Stage 1 (0-30 days) includes loan assets that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date.
- Stage 2 (31-90 days) includes loan assets that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment.
- Stage 3 (more than 90 days) includes loan assets that have objective evidence of impairment at the reporting date.

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

Probability of Default (PD) - The PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months (12 months PD), or over the remaining lifetime (Lifetime PD) of the obligation.

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

Exposure at Default (EAD) – EAD is based on the amounts the Company expects to be owed at the time of default.

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

Trade receivables

In respect of trade receivables, the Company applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of trade receivables.

Other financial assets

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

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

Write-offs

Financial assets are written off either partially or in their entirety to the extent that there is no realistic prospect of recovery. Any subsequent recoveries are credited to impairment on financial instrument on statement of profit and loss.

l) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand (including imprest), demand deposits and short-term highly liquid investments (certificate of deposits and commercial paper) that are readily convertible into known amount of cash and which are subject to an insignificant risk of changes in value. The Company has netted off the balance of bank overdraft with cash and cash equivalents for cash flow statement as they are considered an integral part of the Company's cash management.

m) Equity investment in subsidiaries

Investments representing equity interest in subsidiaries are accounted for at cost in accordance with Ind AS 27 Separate Financial Statements.

n) Provisions, contingent assets and contingent liabilities

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

Contingent liability is disclosed for:

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

Contingent assets are not recognized but disclosed where an inflow of economic benefits is probable.

o) Leases

Company as a lessee

A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Company assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company
- the Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract the Company has the right to direct the use of the identified asset throughout the period of use.

The Company assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

At lease commencement date, the Company recognizes a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term.

Determining the lease term of contracts with renewal and termination options where Company is lessee

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease contracts that include extension and termination options. The Company applies judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination.

Company as lessor:

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income.

Classification of leases – The Company enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

p) Financial instruments

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition and measurement

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

Non-derivative financial assets

Subsequent measurement

i. **Financial assets carried at amortized cost –** a financial asset is measured at the amortized 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 amortized cost using the effective interest rate (EIR) method. Amortized 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 amortization is included in interest income in the Statement of Profit and Loss.

ii. **Financial assets (debt instruments e.g. loans) are measured at FVOCI when both of the following conditions are met:** – a financial asset is measured at the FVOCI if both the following conditions are met:

- The instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets
- The contractual terms of the financial asset meet the SPPI test

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognized in OCI. Interest income are recognized in profit or loss in the same manner as for financial assets measured at amortized cost.

iii. **Investments in equity instruments –** Investments in equity instruments which are held for trading are classified as at fair value through profit or loss (FVTPL). For all other equity instruments, the Company makes an irrevocable choice upon initial recognition, on an instrument by instrument basis, to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL). Amounts presented in other comprehensive income are not subsequently transferred to profit or loss. However, the Company transfers the cumulative gain or loss within equity. Dividends on such investments are recognized in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

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

v. **Financial assets measured at FVPL –** FVPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL, with all changes recognized in the P&L.

De-recognition of financial assets

Financial assets (or where applicable, a part of financial asset or part of a group of similar financial assets) are de-recognized (i.e. removed from the Company's balance sheet) when the contractual rights to receive the cash flows from the financial asset have expired, or when the financial asset and substantially all the risks and rewards are transferred. Further, if the Company has not retained control, it shall also de-recognize the financial asset and recognize 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 amortized cost using the effective interest method.

De-recognition of financial liabilities

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

First loss default guarantee

First loss default guarantee contracts are contracts that require the Company to make specified payments to reimburse the bank for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a an agreement. Such financial guarantees are given to bank, for whom the Company acts as 'Business Correspondent'.

These contracts are initially measured at fair value and subsequently measure at higher of:

- The amount of loss allowance (calculated as described in policy for impairment of financial assets)
- Maximum amount payable as on the reporting date to the bank which is based on the amount of loans overdue for more than 75 days in respect to agreements with banks.

Further, the maximum liability is restricted to the cash outflow agreed in the agreement.

Compound financial instruments

Optionally convertible instruments are separated into liability and equity components based on the terms of the contract. On issuance of the said instruments, the liability component is arrived at by discounting the gross sum (including redemption premium, if any) at a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortized cost until it is extinguished on conversion or redemption. The remainder of the proceeds is recognized as equity component of compound financial instrument. This is recognized and included in shareholders' equity, net of income tax effects, and not subsequently re-measured.

Offsetting of financial instruments

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

Derivative contracts

The Company enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit and loss using mark to market information.

Hedge Accounting

The Company makes use of derivative instruments to manage exposures to interest rate and foreign currency.

In order to manage particular risks, the Company applies hedge accounting for transactions that meet specified criteria.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging / economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the Company would assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an on-going basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the criteria for hedge accounting are accounted for, as described below:

Cash Flow Hedges

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognized asset or liability (such as all or some future interest payments on variable rate debt) or a highly probable forecast transaction and could affect profit or loss.

For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognized directly in OCI within equity (cash flow hedge reserve). The ineffective portion of the gain or loss on the hedging instrument is recognized immediately as Finance Cost in the statement of profit and loss.

When the hedged cash flow affects the statement of profit and loss, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the statement of profit and loss.

When a hedging instrument expires, is sold, terminated, exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss that has been recognized in OCI at that time remains in OCI and is recognized when the hedged forecast transaction is ultimately recognized in the statement of profit and loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in OCI is immediately transferred to the statement of profit and loss.

Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date using valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

a) In the principal market for the asset or liability, or

b) In the absence of a principal market, in the most advantageous market for the asset or liability.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured are categorized with fair value hierarchy into Level I, Level II and Level III based on level of input.

q) Earnings per share

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

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

r) Segment reporting

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

s) Foreign currency

Functional and presentation currency

Items included in the financial statement of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements have been prepared and presented in Indian Rupees (₹), which is the Company's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency, by applying the exchange rates on the foreign currency amounts at the date of the transaction. Foreign currency monetary items outstanding at the balance sheet date are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the Statement of Profit and Loss in the year in which they arise.

t) Government grants

Grants and subsidies from the government are recognized when there is reasonable assurance that (i) the Company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

Grant or subsidy relates to revenue, it is recognized as income on a systematic basis in profit or loss over the periods necessary to match them with the related costs, which they are intended to compensate.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

u) **Significant management judgment in applying accounting policies and estimation uncertainty**

The preparation of the Company's financial statements requires management to make judgments, 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 judgments

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

Business model assessment - The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgment reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortized cost that are derecognized prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and accordingly prospective change to the classification of those assets are made.

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

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

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

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

Significant estimates

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

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

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

v) **Statement of Cash Flows**

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method adjusting the net profit for the effects of:

I. Changes during the period in operating receivables and payables transactions of a non-cash nature;

II. Non-cash items such as depreciation, provisions, deferred taxes, unrealized foreign currency gains and losses; and

III. All other items for which the cash effects are investing or financing cash flows.

(All amounts in ₹ lakhs, unless otherwise stated)

4. CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2021	As at March 31, 2020
Cash on hand	4,330.40	4,726.63
Balances with banks and financial institutions		
- Balance with banks in current accounts	54,144.53	50,443.61
- Deposits for original maturity of less than 3 months	52,550.57	54,518.65
- Balance with banks and financial institutions to the extent held as margin money deposits against borrowings and guarantees	1,043.08	1,043.13
Total	**1,12,068.58**	**1,10,732.02**

5. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2021	As at March 31, 2020
Deposits for remaining maturity of more than 3 months and upto 12 months	8,770.88	1,126.17
Deposits with remaining maturity more than 12 months	-	280.97
Balance with banks and financial institutions to the extent held as margin money deposits against borrowings and guarantees	65,424.43	64,027.01
Total	**74,195.31**	**65,434.15**

The amount under lien as security against term loan and overdraft facility availed, assets securitized, first loss default guarantee are as follows (included above in note 4 and 5):-

Particulars	As at March 31, 2021	As at March 31, 2020
Term loans	25,043.62	21,139.44
Overdraft facilities	38,056.84	40,822.95
Securitizations	748.16	718.34
Derivatives	564.77	530.45
Bank guarantee against rights issue	61.98	-
Security against first loss default guarantee	1,989.75	1,856.64
Security against facilities	2.39	2.32
Total	**66,467.51**	**65,070.14**

6. DERIVATIVE FINANCIAL INSTRUMENTS

Particulars	As at March 31, 2021		As at March 31, 2020	
	Notional amounts (₹)	Fair value (₹)	Notional amounts (₹)	Fair value (₹)
Currency and interest swap (refer to note 53)	27,089.80	34.13	21,227.46	673.63
	27,089.80	**34.13**	**21,227.46**	**673.63**
Included in above are derivative held for risk management purpose as follows:				
Derivative designated as hedge:				
Cash flow hedge:				
Currency and interest swap	-	-	7,086.27	626.34
Undesignated derivative	27,089.80	34.13	14,141.19	47.29
Total	**27,089.80**	**34.13**	**21,227.46**	**673.63**

The Company enters into derivative contracts for risk management purposes. Derivatives held for risk management purposes include hedges that either meet the hedge accounting requirements or hedges that are economic hedges, the Company had elected to apply hedge accounting for one of the derivatives in previous year. During the year ended March 31, 2021, Hedge accounting has been discountinued on account of ineffectiveness.

The table above represents the fair value of derivate financial instruments recorded as assets together with the notional amounts.

(All amounts in ₹ lakhs, unless otherwise stated)

The notional amounts indicates the value of transaction outstanding at the year end and are not indicative of either the market risk or credit risk.

The Company is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are foreign currency risk and interest rate risk. The Company's risk management strategy and how it is applied to manage risk are explained in Note 53 and below.

Derivatives designated as hedging instruments

Cash flow hedges - Foreign currency risk

The Company is exposed to foreign currency risk arising from its fixed rate foreign currency borrowing amounting to US $ 9.4 million. Interest on the borrowing is payable at a fixed rate of 5.93% per annum. (on semi-annual basis starting from February 5, 2020) and the principal amount is repayable on August 5, 2022. The Company economically hedged the foreign currency risk arising from the debt with a 'receive fixed pay fixed' cross-currency interest rate swap ('swap') on July 24, 2019. The notional amount of swap is ₹ 6,487.41 lakhs. The swap contract converts the cash outflows of the foreign currency fixed rate borrowing of US $ 9.4 million to cash outflows in ₹ with a notional amount of ₹ 6,487.41lakhs and fixed interest of 11.18% per annum.

There is an economic relationship between the hedged item and the hedging instrument as the terms of the cross currency swap contract match that of the foreign currency borrowing (notional amount, interest payment dates, principal repayment date etc.). The Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the cross currency swap are identical to the hedged risk components. To test the hedge effectiveness, the Group uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks. The hedge ineffectiveness may arise if there is a change in the credit risk of the Company or the counterparty

Offsetting

The Company does not have derivative financial assets and financial liabilities which are subject to master netting arrangements. Master netting arrangements are those arrangements wherein in the case of insolvency, derivative financial assets and financial liabilities will be settled on a net basis.

7. TRADE RECEIVABLES (AT AMORTIZED COST)

Particulars	As at March 31, 2021	As at March 31, 2020
Considered good - unsecured	1,460.92	613.14
	1,460.92	**613.14**
Less: Impairment loss allowance	-	-
Total	**1,460.92**	**613.14**

The Company does not have any receivables which are either credit impaired or where there is significant increase in credit risk.

8. LOANS

Particulars	As at March 31, 2021		As at March 31, 2020	
	At fair value through other comprehensive income	At amortized cost	At fair value through other comprehensive income	At amortized cost
Portfolio loans	5,05,504.25	45,991.98	4,20,819.04	50,120.06
	5,05,504.25	**45,991.98**	**4,20,819.04**	**50,120.06**
Secured	-	16,950.41	-	8,707.81
Unsecured	5,05,504.25	29,041.57	4,20,819.04	41,412.25
	5,05,504.25	**45,991.98**	**4,20,819.04**	**50,120.06**
Total loans		**5,51,496.23**		**4,70,939.10**

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Secured by property, plant and equipment including land and building	15,786.91	5,756.47
(ii) Secured by book debts, inventories, margin money and other working capital items	1,163.50	2,951.34
(iii) Unsecured	5,34,545.82	4,62,231.29
Total	**5,51,496.23**	**4,70,939.10**
Loans in India		
(i) Public sector	-	-
(ii) Others	5,51,496.23	4,70,939.10
Total	**5,51,496.23**	**4,70,939.10**

9. INVESTMENTS

Particulars	As at March 31, 2021			As at March 31, 2020		
	At fair value through profit and loss	Cost	Total	At fair value through profit and loss	Cost	Total
Equity instruments						
Subsidiaries*						
16,040,025 (March 31, 2020 : 16,040,025) equity shares of face value of ₹ 10 each of Taraashna Financial Services Limited	-	8,510.24	8,510.24	-	8,510.24	8,510.24
95,000,000 (March 31, 2020 : 80,000,000) equity shares of face value of ₹ 10 each of Satin Housing Finance Limited	-	9,500.00	9,500.00	-	8,000.00	8,000.00
102,500,000 (March 31, 2020 : 102,500,000) equity shares of face value of ₹ 10 each of Satin Finserv Limited	-	10,250.00	10,250.00	-	10,250.00	10,250.00
Mutual funds						
294,091.70 (March 31, 2020 : 294,091.70) units in Union Dynamic Bond Fund	57.55	-	57.55	54.23	-	54.23
Government securities						
500 (March 31, 2020 : 500), Government of India, Inscribed stock having face value ₹ 100 each	0.51	-	0.51	0.51	-	0.51
Commercial paper						
Nil (March 31, 2020 : 2,500) units in HDFC Limited	-	-	-	12,202.18	-	12,202.18
Nil (March 31, 2020 : 2,500) units in Bajaj Finance Limited	-	-	-	12,316.29	-	12,316.29
Total	**58.06**	**28,260.24**	**28,318.30**	**24,573.21**	**26,760.24**	**51,333.45**
(i) Investments in India	58.06	28,260.24	28,318.30	24,573.21	26,760.24	51,333.45
(ii) Investments outside India	-	-	-	-	-	-
Total	**58.06**	**28,260.24**	**28,318.30**	**24,573.21**	**26,760.24**	**51,333.45**

(All amounts in ₹ lakhs, unless otherwise stated)

Investment designated at FVTPL includes commercial papers of various Companies. The Company has not entered in to any credit derivative to mitigate the credit risk (if any).

Name of Subsidiaries	Principle place of business	Ownership interest	
		As at March 31, 2021	As at March 31, 2020
Taraashna Financial Services Limited	India	100.00%	100.00%
Satin Housing Finance Limited	India	100.00%	100.00%
Satin Finserv Limited	India	100.00%	100.00%

*Investment in subsidiaries are measured at cost as per Ind AS 27 'Separate Financial Statements'.

10. OTHER FINANCIAL ASSETS

Particulars	As at March 31, 2021	As at March 31, 2020
Security deposits	290.10	360.23
Staff advances	194.82	203.12
Insurance recoverable	644.75	559.64
Other recoverable	2,033.18	804.32
	3,162.85	**1,927.31**
Less: Impairment loss allowance	(6.43)	(168.54)
Total	**3,156.42**	**1,758.77**

11. CURRENT TAX ASSETS (NET)

Particulars	As at March 31, 2021	As at March 31, 2020
Advance Income - Tax (net)	-	3,152.99
Total	**-**	**3,152.99**

(All amounts in ₹ lakhs, unless otherwise stated)

12. DEFERRED TAX ASSETS/(LIABILITIES) (NET)

Particulars	As at March 31, 2021	As at March 31, 2020
(A) Deferred tax assets		
Provision for employee benefits	314.09	229.01
Difference in written down value as per Companies Act and Income Tax Act	202.94	232.29
Financial assets measured at amortized cost	-	3.71
Impairment loss allowance and first loss default guarantee	7,798.47	4,162.40
Liability against leases	166.04	226.62
Total deferred tax assets	**8,481.54**	**4,854.03**
(B) Deferred tax liabilities		
Financial liabilities measured at amortized cost	18.52	39.38
Financial assets measured at amortized cost	1.32	-
Fair valuation of financial instruments through profit and loss	-	2.70
Fair valuation of loan assets through other comprehensive income	1,309.21	2,439.19
Cash flow hedge reserve	-	23.50
Right of use assets	146.35	213.88
Deferment of excess interest spread	2,396.28	3,277.42
Total deferred tax liabilities	**3,871.68**	**5,996.07**
Net deferred tax assets/(liabilities)	**4,609.86**	**(1,142.04)**

(i) Movement in deferred tax assets / (liabilities) (net)

Particulars	As at March 31, 2020	(Charged)/ credited to statement of profit and loss	(Charged)/ credited to other comprehensive income	As at March 31, 2021
Assets				
Provision for employee benefits	229.01	63.28	21.80	314.09
Difference in written down value as per Companies Act and Income Tax Act	232.29	(29.35)	-	202.94
Financial assets measured at amortized cost	3.71	(3.71)	-	-
Impairment loss allowance and first loss default guarantee	4,162.40	3,636.07	-	7,798.47
Liability against leases	226.62	(60.58)	-	166.04
Liabilities				
Financial liabilities measured at amortized cost	39.38	(20.86)	-	18.52
Financial assets measured at amortized cost	-	1.32	-	1.32
Fair valuation of financial instruments through profit and loss	2.70	(2.70)	-	-
Fair valuation of loan assets through other comprehensive income	2,439.19	0.01	(1,129.99)	1,309.21
Cash flow hedge reserve	23.50	(6.92)	(16.58)	-
Right of use assets	213.88	(67.53)	-	146.35
Deferment of excess interest spread	3,277.42	(881.14)	-	2,396.28
Total (net)	**(1,142.04)**	**4,583.53**	**1,168.37**	**4,609.86**

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at April 1, 2019	(Charged)/ credited to statement of profit and loss	(Charged)/ credited to other comprehensive income	As at March 31, 2020
Assets				
Provision for employee benefits	473.30	(222.19)	(22.10)	229.01
Difference in written down value as per Companies Act and Income Tax Act	295.38	(63.09)	-	232.29
Financial assets measured at amortized cost	119.19	(115.48)	-	3.71
Impairment loss allowance and first loss default guarantee	3,728.76	433.64	-	4,162.40
Liability against leases	-	226.62	-	226.62
Liabilities				
Financial liabilities measured at amortized cost	130.25	(90.87)	-	39.38
Fair valuation of financial instruments through profit and loss	0.62	2.08	-	2.70
Fair valuation of loan assets through other comprehensive income	1,369.87	(383.23)	1,452.55	2,439.19
Cash flow hedge reserve	-	-	23.50	23.50
Right of use assets	-	213.88	-	213.88
Deferment of excess interest spread	2,544.70	732.72	-	3,277.42
Total (net)	**571.19**	**(215.08)**	**(1,498.15)**	**(1,142.04)**

13. INVESTMENT PROPERTY

Particulars	As at March 31, 2021	As at March 31, 2020
A. Reconciliation of carrying amount (Cost or deemed cost)		
Opening balance	-	-
Additions during the year	729.24	-
Total	**729.24**	**-**
Accumulated depreciation		
Opening balance	-	-
Additions during the year	35.51	-
Total	**35.51**	-
Carrying amounts (Balance at date)	**693.73**	**-**
B. Amounts recognized in Statement of profit and loss for investment property		
Rental income	17.10	-
Less: Depreciation expense	35.51	-
Loss from investment property	**(18.41)**	**-**
C. Measurement of fair value		
Investment property	789.06	-
	789.06	**-**

The Company's investment properties consist of two residential properties in India. As at March 31, 2021, the fair values of the properties are ₹ 789.06 lakhs. These valuations are based on valuations performed by an independent valuer. Valuation techniques used by the valuer is fair market value.

The Company has no restrictions on the realizability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

14 . PROPERTY, PLANT AND EQUIPMENT

Particulars	Freehold land	Buildings (refer note (i))	Right of use (Leased building)	Computer equipment	Electric equipement	Office equipment	Furniture and fixtures	Vehicles (refer note (iii))	Total	Capital work in progress
Gross carrying amount										
Balance as at April 1, 2019	**1,518.37**	**1,587.32**	**-**	**1,918.82**	**-**	**544.64**	**1,223.08**	**164.28**	**6,956.51**	**1,614.29**
Adjustment on transition of Ind AS 116	-	-	1,503.28	-	-	-	-	-	1,503.28	
Additions	-	-	363.76	676.13	-	116.56	199.08	65.43	1,420.96	1,799.35
Disposals	-	-	(530.09)	(22.97)	-	(1.38)	(0.02)	(11.21)	(565.67)	-
Balance as at March 31, 2020	**1,518.37**	**1,587.32**	**1,336.95**	**2,571.98**	**-**	**659.82**	**1,422.14**	**218.50**	**9,315.08**	**3,413.64**
Property, plant and equipment reclassified to Investment Property		(818.56)							(818.56)	
Additions	-	3,162.77	83.00	464.14	817.30	151.83	423.95	52.73	5,155.72	1,536.38
Disposals	-	-	(128.19)	(73.91)	-	(53.76)	(2.67)	(29.96)	(288.49)	(4,585.06)
Balance as at March 31, 2021	**1,518.37**	**3,931.53**	**1,291.76**	**2,962.21**	**817.30**	**757.89**	**1,843.42**	**241.27**	**13,363.75**	**364.96**
Accumulated depreciation										
Balance as at April 1, 2019	**-**	**344.02**	**-**	**1,306.91**	**-**	**347.32**	**547.51**	**108.98**	**2,654.74**	**-**
Additions	-	73.17	487.13	541.68	-	114.40	199.53	26.16	1,442.07	-
Disposals	-	-	-	(12.06)	-	(1.08)	(0.01)	(9.82)	(22.97)	-
Balance as at March 31, 2020	**-**	**417.19**	**487.13**	**1,836.53**	**-**	**460.64**	**747.03**	**125.32**	**4,073.84**	**-**
Accumulated depreciation transfer to investment property		(89.32)							**(89.32)**	
Additions	-	49.72	307.23	493.46	29.62	102.31	196.61	32.92	1,211.87	
Disposals	-	-	(83.48)	(65.91)	-	(46.89)	(1.99)	(18.74)	(217.01)	
Balance as at March 31, 2021	**-**	**377.59**	**710.88**	**2,264.08**	**29.62**	**516.06**	**941.65**	**139.50**	**4,979.38**	**-**
Net block										
Balance as at March 31, 2020	**1,518.37**	**1,170.13**	**849.82**	**735.45**	**-**	**199.18**	**675.11**	**93.18**	**5,241.24**	**3,413.64**
Balance as at March 31, 2021	**1,518.37**	**3,553.94**	**580.88**	**698.13**	**787.68**	**241.83**	**901.77**	**101.77**	**8,384.37**	**364.96**

Notes:

(i) Buildings acquired under amalgamation continue in the name of Satin Intellicomm Limited.

(ii) For disclosure of contractual commitments to be executed on capital account, refer note 51.

(iii) Vehicles are taken on finance lease; monthly installments are paid as per agreed terms and conditions.

(iv) Property, plant and equipment have been mortgaged/pledged as security for borrowings, refer note 52.

(All amounts in ₹ lakhs, unless otherwise stated)

15. OTHER INTANGIBLE ASSETS

Particulars	Computer software	Total
Gross carrying amount		
Balance as at April 1, 2019	**1,018.37**	**1,018.37**
Additions		
- Additions – being internally developed	84.61	84.61
- Additions – others	136.23	136.23
Adjustment on account of disposals	-	-
Balance as at March 31, 2020	**1,239.21**	**1,239.21**
Additions		
- Additions – being internally developed	-	-
- Additions – others	0.08	0.08
Adjustment on account of disposals	-	-
Balance as at March 31, 2021	**1,239.29**	**1,239.29**
Accumulated amortization		
Balance as at April 1, 2019	**783.26**	**783.26**
Amortization charge for the year	77.78	77.78
Adjustment on account of disposals	-	-
Balance as at March 31, 2020	**861.04**	**861.04**
Amortization charge for the year	89.46	89.46
Adjustment on account of disposals	-	-
Balance as at March 31, 2021	**950.50**	**950.50**
Net block		
Balance as at March 31, 2020	**378.17**	**378.17**
Balance as at March 31, 2021	**288.79**	**288.79**

16. OTHER NON-FINANCIAL ASSETS

Particulars	As at March 31, 2021	As at March 31, 2020
Prepaid expenses	752.11	1,061.28
Balances with government authorities	108.74	114.05
Capital advances	66.72	146.87
Gratuity fund assets	68.19	176.46
Other assets	1,384.06	253.95
Total	**2,379.82**	**1,752.61**

17. TRADE PAYABLES

Particulars	As at March 31, 2021	As at March 31, 2020
Total outstanding dues of micro enterprises and small enterprises (refer to note 59)	-	81.38
Total outstanding dues of creditors other than micro enterprises and small enterprises	792.62	300.99
Total	**792.62**	**382.37**

18. OTHER PAYABLES

Particulars	As at March 31, 2021	As at March 31, 2020
Total outstanding dues of micro enterprises and small enterprises (refer to note 59)	223.90	227.71
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,434.68	1,220.08
Total	**1,658.58**	**1,447.79**

(All amounts in ₹ lakhs, unless otherwise stated)

19. DEBT SECURITIES (AT AMORTIZED COST)

Particulars	As at March 31, 2021	As at March 31, 2020
Non-convertible debentures	1,70,507.14	86,386.14
Total	**1,70,507.14**	**86,386.14**
Debt securities in India	1,70,507.14	86,386.14
Debt securities outside India	-	-
Total	**1,70,507.14**	**86,386.14**

(A) Non-convertible debentures (secured)

	Particulars	Terms of repayment	As at March 31, 2021	As at March 31, 2020
1	Nil (March 31, 2020: 250), @10.35% (Previous year : 10.35%), Secured, rated, unlisted redeemable non-convertible debentures of face value of ₹ 1,000,000 each, The date of allotment is February 27, 2019. (Secured by way of hypothecation of book debts which shall be maintained at 100% of principal amount of the debentures outstanding.)	Redeemable on May 8, 2020.	-	2,500.00
2	200 (March 31, 2020: 200), @12.75% (Previous year : 12.75%), Secured, listed, redeemable, non-convertible debentures of face value of ₹ 2,500,000 each, The date of allotment is July 15, 2014. (Secured by way of hypothecation of book debts which shall be maintained at 110% of principal amount of the debentures outstanding.)	Redeemable at par on June 30, 2023, subject to call/put option on July 15, 2021.	5,000.00	5,000.00
3	Nil (March 31, 2020: 250), @13.35% (Previous year : 13.35%), Secured, rated, redeemable, listed, non-convertible debentures of face value of ₹ 1,000,000 each, The date of allotment is November 3, 2016. (Secured by way of hypothecation of book debts which shall be maintained at 100% of principal amount of the debentures outstanding.)	Redeemable on November 30, 2020.	-	2,500.00
4	Nil (March 31, 2020: 450), @11.34% (Previous year : 11.34%), Secured, unlisted, redeemable non-convertible debentures of face value of ₹ 1,000,000 each, The date of allotment is December 7, 2017. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding.)	Redeemable at par on December 7, 2020.	-	4,500.00
5	Nil (March 31, 2020: 330), @11.99% (Previous year : 11.99%), Secured, unlisted, redeemable non-convertible debentures of face value of ₹ 1,000,000 each, The date of allotment is December 8, 2017. (Secured by way of hypothecation of book debts which shall be maintained at 100% of principal amount of the debentures outstanding.)	Redeemable at par on December 8, 2020.	-	3,300.00
6	Nil (March 31, 2020: 20), @14.50% (Previous year : 14.50%), Secured, senior, rated, redeemable, non-convertible debentures of face value of ₹ 1,000,000 each, The date of allotment is May 8, 2015. (Secured by way of hypothecation of book debts which shall be maintained at 110% of principal amount of the debentures outstanding.)	Redeemable on December 18, 2020, subject to put option on May 8, 2019.	-	200.00
7	Nil (March 31, 2020: 600), @11.95% (Previous year : 11.95%), Secured, listed, redeemable non-convertible debentures of face value of ₹ 1,000,000 each, The date of allotment is February 8, 2018. (Secured by way of hypothecation of book debts which shall be maintained at 100% of principal amount of the debentures outstanding.)	Redeemable at par on February 8, 2021, Payable annually	-	2,000.00
8	300 (March 31, 2020: 300), @10.60% (Previous year : 10.60%), Secured, rated, unlisted redeemable non-convertible debentures of face value of ₹ 1,000,000 each, The date of allotment is August 29, 2018. (Secured by way of hypothecation of book debts which shall be maintained at 100% of principal amount of the debentures outstanding.)	Redeemable on August 25, 2021, payable monthly.	416.66	1,416.66

(All amounts in ₹ lakhs, unless otherwise stated)

Non-convertible debentures (secured)

	Particulars	Terms of repayment	As at March 31, 2021	As at March 31, 2020
9	2,130 (March 31, 2020: 2,130), @11.095% (Previous year : 11.095%), Secured, rated, listed redeemable non-convertible debentures of face value of ₹ 10,00,000 each, The date of allotment is December 14, 2018. (Secured by way of hypothecation of book debts which shall be maintained at 100% of principal amount of the debentures outstanding.)	Redeemable on December 14, 2023, payable half yearly.	18,257.14	21,300.00
10	1,500 (March 31, 2020: Nil) @10.30% (Previous year: Nil %), Secured, listed, redeemable, non-convertible debentures of face value of ₹ 10,00,000 each, The date of allotment is December 31, 2020. (Secured by way of hypothecation of book debt which shall be maintained at 110% of principal amount of the debentures outstanding.)	Redeemable ₹ 3,750 lakhs on October 02, 2021, ₹ 3,750 lakhs on December 31, 2021, ₹ 3,750 lakhs March 31, 2022 and ₹ 3,750 lakhs on June 30, 2022.	15,000.00	-
11	387 (March 31, 2020: 387), @11.00% (Previous year : 11.00%),Secured, rated, listed redeemable non-convertible debentures of face value of ₹ 10,00,000 each, The date of allotment is October 26, 2018. (Secured by way of hypothecation of book debts which shall be maintained at 100% of principal amount of the debentures outstanding.)	Redeemable on October 26, 2021.	3,870.00	3,870.00
12	500 (March 31, 2020: Nil) @10.25% (Previous year: Nil %), Secured, listed, redeemable, non-convertible debentures of face value of ₹ 10,00,000 each, The date of allotment is August 18, 2020. (Secured by way of hypothecation of book debt which shall be maintained at 110% of principal amount of the debentures outstanding)	Redeemable at par on February 18, 2022.	5,000.00	-
13	1000 (March 31, 2020: Nil) @10.25% (Previous year: Nil %), Secured, listed, redeemable, non-convertible debentures of face value of ₹ 10,00,000 each, The date of allotment is August 24, 2020. (Secured by way of hypothecation of book debt which shall be maintained at 115% of principal amount of the debentures outstanding.)	Redeemable at par on February 24, 2022.	10,000.00	-
14	500 (March 31, 2020: Nil) @10.20% (Previous year: Nil %), Secured, listed, redeemable, non-convertible debentures of face value of ₹ 10,00,000 each, The date of allotment is August 31, 2020. (Secured by way of hypothecation of book debt which shall be maintained at 125% of principal amount of the debentures outstanding.)	Redeemable at par on February 28, 2022.	5,000.00	-
15	500 (March 31, 2020: Nil) @10.25% (Previous year: Nil %), Secured, listed, redeemable, non-convertible debentures of face value of ₹ 10,00,000 each, The date of allotment is September 15, 2020. (Secured by way of hypothecation of book debt which shall be maintained at 115% of principal amount of the debentures outstanding.)	Redeemable at par on March 15, 2022.	5,000.00	-
16	1750 (March 31, 2020: Nil) @10.40% (Previous year: Nil %), Secured, listed, redeemable, non-convertible debentures of face value of ₹ 10,00,000 each, The date of allotment is September 30, 2020. (Secured by way of hypothecation of book debt which shall be maintained at 110% of principal amount of the debentures outstanding.)	Redeemable at par on March 30, 2022.	17,500.00	-
17	250 (March 31, 2020: Nil) @10.25% (Previous year: Nil %), Secured, listed, redeemable, non-convertible debentures of face value of ₹ 10,00,000 each, The date of allotment is October 13, 2020. (Secured by way of hypothecation of book debt which shall be maintained at 110% of principal amount of the debentures outstanding.)	Redeemable at par on April 13, 2022.	2,500.00	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

Non-convertible debentures (secured) (Contd.)

	Particulars	Terms of repayment	As at March 31, 2021	As at March 31, 2020
18	9750 (March 31, 2020: Nil) @10.50% (Previous year: Nil %), Secured, unlisted, redeemable, non-convertible debentures of face value of ₹ 50,000 each, The date of allotment is December 16, 2020. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding.)	Redeemable ₹ 4,874.51 lakhs (99.99%) on May 06, 2022 and rest ₹ 0.49 lakhs (.01%) on May 06, 2024.	4,875.00	-
19	250 (March 31, 2020: Nil) @10.40% (Previous year: Nil %), Secured, listed, redeemable, non-convertible debentures of face value of ₹ 10,00,000 each, The date of allotment is November 09, 2020. (Secured by way of hypothecation of book debt which shall be maintained at 110% of principal amount of the debentures outstanding.)	Redeemable at par on May 09, 2022.	2,500.00	-
20	500 (March 31, 2020: Nil) @10.20% (Previous year: Nil %), Secured, listed, redeemable, non-convertible debentures of face value of ₹ 10,00,000 each, The date of allotment is December 10, 2020. (Secured by way of hypothecation of book debt which shall be maintained at 125% of principal amount of the debentures outstanding.)	Redeemable at par on June 10, 2022.	5,000.00	-
21	680 (March 31, 2020: 680), @11.70% (Previous year : 11.70%), Secured, rated, redeemable, listed non-convertible debentures of face value of ₹ 1,000,000 each, The date of allotment is June 15, 2016. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding.)	Redeemable at par on June 15,2022 (in case second put/call option is exercised, otherwise if put/call option not exercised then redeemable at par on June 15, 2025)	6,800.00	6,800.00
22	650 (March 31, 2020: 650), @12.06% (Previous year : 12.06%), Secured, listed, redeemable non-convertible debentures of face value of ₹ 10,00,000 each, The date of allotment is October 3, 2017. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding.)	Redeemable on October 3, 2022	6,500.00	6,500.00
23	600 (March 31, 2020: Nil) @11.50% (Previous year: Nil %), Secured, listed, redeemable, non-convertible debentures of face value of ₹ 10,00,000 each, The date of allotment is October 23, 2020. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding.)	Redeemable ₹ 1,500 lakhs (25%) on April 24, 2023, ₹ 1,500 lakhs (25%) on October 24, 2023 rest ₹ 3,000 lakhs (50%) On 23 April, 2024.	6,000.00	-
24	18,750 (March 31, 2020: Nil) @11.10% (Previous year: Nil %), Secured, unlisted, redeemable, non-convertible debentures of face value of ₹ 100,000 each, The date of allotment is December 22, 2020. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding.)	Redeemable ₹ 18,748.13 lakhs (99.99%) on June 05, 2023 and rest ₹ 1.87 lakhs (.01%) on June 05, 2025.	18,750.00	-
25	250 (March 31, 2020: Nil) @11.25% (Previous year: Nil %), Secured, listed, redeemable, non-convertible debentures of face value of ₹ 10,00,000 each, The date of allotment is June 30, 2020. (Secured by way of hypothecation of book debt which shall be maintained at 110% of principal amount of the debentures outstanding.)	Redeemable at par on June 30, 2023.	2,500.00	-
26	250 (March 31, 2020: Nil) @11.00% (Previous year: Nil %), Secured, listed, redeemable, non-convertible debentures of face value of ₹ 10,00,000 each, The date of allotment is July 28, 2020. (Secured by way of hypothecation of book debt which shall be maintained at 110% of principal amount of the debentures outstanding.)	Redeemable at par on July 28, 2023.	2,500.00	-

(All amounts in ₹ lakhs, unless otherwise stated)

Non-convertible debentures (secured) (Contd.)

	Particulars	Terms of repayment	As at March 31, 2021	As at March 31, 2020
27	970 (March 31, 2020: 970), @11.67% (Previous year : 11.67%), Secured, rated, listed redeemable non-convertible debentures of face value of ₹ 10,00,000 each, The date of allotment is July 31, 2018. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding.)	Redeemable on July 31, 2023, subject to call/put option after three years of allotment.	9,700.00	9,700.00
28	250 (March 31, 2020: Nil) @10.95% (Previous year: Nil %), Secured, listed, redeemable, non-convertible debentures of face value of ₹ 10,00,000 each, The date of allotment is July 31, 2020. (Secured by way of hypothecation of book debt which shall be maintained at 110% of principal amount of the debentures outstanding.)	Redeemable at par on July 31, 2023.	2,500.00	-
29	1200 (March 31, 2020: 1200), @11.45% (Previous year: 11.45%), Secured, rated, listed redeemable non-convertible debentures of face value of ₹ 10,00,000 each, The date of allotment is September 27, 2019. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding.)	Redeemable on September 27, 2023.	12,000.00	12,000.00
	Total (A)		**1,67,168.80**	**81,586.66**

(B) Non convertible debentures (unsecured)

	Particulars	Terms of repayment	As at March 31, 2021	As at March 31, 2020
1	Nil (March 31, 2020: 250), @13.35%, Unsecured, rated, listed, redeemable, non-convertible debentures of face value of ₹ 10,00,000 each, The date of allotment is November 4, 2016.	Redeemable on November 30, 2020	-	2,500.00
2	150 (March 31, 2020: Nil) @11.69% per annual, Rated, Unsubordinated, Unsecured, listed, redeemable, non convertible debentures of face value of ₹ 10,00,000 each, The date of allotment is August 07, 2020.	Redeemable at par on August 09, 2021.	1,500.00	-
3	2,628 (March 31, 2020: 2628), @14.15%,(Previous year: 14.15%) Unsecured, rated, listed, senior, redeemable, taxable, transferable, non-convertible debentures of face value of ₹ 100,000 each, The date of allotment is October 5, 2015.	Redeemable on September 15, 2021	2,628.00	2,628.00
	Total (B)		**4,128.00**	**5,128.00**
	Total (A+B)		**1,71,296.80**	**86,714.66**
	Less: Unamortized transaction costs		(789.66)	(328.52)
	Total		**1,70,507.14**	**86,386.14**

(All amounts in ₹ lakhs, unless otherwise stated)

20. BORROWINGS (OTHER THAN DEBT SECURITIES) (AT AMORTIZED COST)

Particulars	As at March 31, 2021	As at March 31, 2020
Term loans		
From banks		
Secured	1,93,111.83	2,07,231.34
From other parties		
Secured	1,41,645.17	1,55,369.52
Unsecured	-	41.75
Overdraft facility against term deposits		
From banks - secured	10,989.97	13,793.17
External commercial borrowings		
Secured	19,019.65	11,936.89
Unsecured	6,877.21	7,030.14
Commercial paper	3,838.25	-
Liability against securitized assets	5,501.35	3,910.50
Liability against leased assets	659.72	900.41
Total	**3,81,643.15**	**4,00,213.72**
Borrowings in India	3,55,746.29	3,81,246.69
Borrowings outside India	25,896.86	18,967.03
Total	**3,81,643.15**	**4,00,213.72**

21. SUBORDINATED LIABILITIES (AT AMORTIZED COST)

Particulars	As at March 31, 2021	As at March 31, 2020
Preference shares other than those that qualify as equity (refer notes A)	2,499.63	2,493.44
Non-convertible debentures (refer note B)	21,665.07	24,111.03
Term loans from banks	25,500.00	25,500.00
Term loans from parties other than banks	-	999.75
External commercial borrowings	748.09	1,203.91
Total	**50,412.79**	**54,308.13**
Subordinated liabilities in India	49,664.70	53,104.22
Subordinated liabilities outside India	748.09	1,203.91
Total	**50,412.79**	**54,308.13**

Notes:

A Preference shares

During the year ended March 31, 2017, the Company allotted 25,000,000, 12.10% Rated, Cumulative, Non-Participative, Non-Convertible, Compulsorily Redeemable Preference Shares of face value of ₹ 10 each fully paid-up for cash at an issue price of ₹ 10. Subsequent to the balance sheet date, these preference shares have been redeemed on April 22, 2021.

(All amounts in ₹ lakhs, unless otherwise stated)

B Non convertible debentures (unsecured)

	Particulars	Terms of repayment	As at March 31, 2021	As at March 31, 2020
1	Nil (March 31, 2020: 150), @16.90%, Unsecured, listed, redeemable, Subordinate, non-convertible debentures of face value of ₹ 10,00,000 each, The date of allotment is March 20, 2015.	Redeemable at par on September 20, 2020		1,500.00
2	Nil (March 31, 2020: 130), @17.75%, Unsecured, unlisted, redeemable, Subordinate, non - convertible debentures of face value of ₹ 10,00,000 each, The date of allotment is March 31, 2015.	Redeemable at par on December 18, 2020		1,300.00
3	250 (March 31, 2020: 250), IDFC 1 Yr MCLR + 5.90 spread i.e.15.10%, Unsecured, rated, redeemable, Subordinate, listed, taxable, non-convertible debentures of face value of ₹ 10,00,000 each, The date of allotment is June 30, 2015.	Redeemable on June 30, 2021	2,500.00	2,500.00
4	250 (March 31, 2020: 250), @15.50%, Unsecured, rated, subordinated, redeemable, non-convertible debentures of face value of ₹ 10,00,000 each, The date of allotment is December 30, 2015.	Redeemable on April 15, 2022	2,500.00	2,500.00
5	100 (March 31, 2020: 100), @15.50%, Unsecured, rated, unlisted, redeemable, Subordinate, non-convertible debentures of face value of ₹ 10,00,000 each, The date of allotment is June 28, 2016.	Redeemable on September 28, 2022	1,000.00	1,000.00
6	100 (March 31, 2020: 100), @15.00%, Unsecured, rated, unlisted, redeemable, Subordinate, non-convertible debentures of face value of ₹ 10,00,000 each, The date of allotment is June 29, 2016.	Redeemable on September 30, 2022	1,076.19	1,000.00
7	100 (March 31, 2020: 100), @15.00%, Unsecured, rated, unlisted, redeemable, Subordinate, non-convertible debentures of face value of ₹ 10,00,000 each, The date of allotment is June 29, 2016.	Redeemable on December 31, 2022	1,076.19	1,000.00
8	100 (March 31, 2020: 100), @15.00% Unsecured, rated, unlisted, redeemable, Subordinate, non-convertible debentures of face value of ₹ 10,00,000 each, The date of allotment is June 29, 2016.	Redeemable on March 31, 2023	1,076.19	1,000.00
9	350 (March 31, 2020: 350), @13.85%, Unsecured, unrated, unlisted, redeemable, Subordinate, non-convertible debentures of face value of ₹ 10,00,000 each, The date of allotment is March 29, 2017.	Redeemable on April 30, 2023	3,500.00	3,500.00
10	100 (March 31, 2020: 100), @15.00%, Unsecured, rated, unlisted, redeemable, Subordinate, non-convertible debentures of face value of ₹ 10,00,000 each, The date of allotment is June 29, 2016.	Redeemable on June 30, 2023	1,076.19	1,000.00
11	300 (March 31, 2020: 300), @15.50%, Unsecured, rated, listed, redeemable, Subordinate, taxable, transferable, non-convertible debentures of face value of ₹ 10,00,000 each, The date of allotment is December 17, 2019.	Redeemable on December 31, 2026	3,000.00	3,000.00
12	5,005 (March 31, 2020: 5,005), @ 13.14 %, Unsecured, rated, unlisted, redeemable, Subordinate, taxable, transferable, non-convertible debentures of face value of ₹ 50,000 each, The date of allotment is March 24, 2020.	Redeemable on April 24, 2027	2,502.50	2,502.50
13	5,005 (March 31, 2020: 5,005), @ 13.14 %, Unsecured, rated, unlisted, redeemable, Subordinate, taxable, transferable, non-convertible debentures of face value of ₹ 50,000 each, The date of allotment is March 24, 2020.	Redeemable on April 24, 2027	2,502.50	2,502.50
	Total		**21,809.76**	**24,305.00**
	Less: Unamortized transaction costs		(144.69)	(193.97)
	Total		**21,665.07**	**24,111.03**

(All amounts in ₹ lakhs, unless otherwise stated)

Reconciliation of liabilities arising from financing activities

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

Particulars	Debt securities	Borrowings (other than debt)	Subordinated liabilities	Liability against leased assets	Total
April 01, 2019	**97,586.85**	**3,71,999.21**	**53,919.68**	**-**	**5,23,505.74**
Adoption of Ind AS 116	-	-	-	1,503.28	1,503.28
Cash flows:					
- Repayment	(32,852.45)	(2,80,954.11)	(2,469.76)	(553.20)	(3,16,829.52)
- Proceeds from overdraft facility	-	7,878.19	-	-	7,878.19
- Proceeds other than overdraft facility	21,428.00	3,00,407.76	8,005.00	-	3,29,840.76
	(11,424.45)	**27,331.84**	**5,535.24**	**(553.20)**	**20,889.43**
Non-cash:					
- Addition during the year	-	-	-	363.76	363.76
- Conversion of Optionally Convertible, Redeemable Preference Shares	-	-	(5,310.68)	-	(5,310.68)
- Foreign exchange	-	721.38	65.97	-	787.35
- Amortization of upfront fees and others	238.56	1,639.34	209.39	-	2,087.29
- Deferment of upfront processing fee	(14.82)	(2,378.46)	(111.47)	-	(2,504.75)
- Others	-	-	-	(413.43)	(413.43)
March 31, 2020	**86,386.14**	**3,99,313.31**	**54,308.13**	**900.41**	**5,40,907.99**
Adoption of Ind AS 116	-	-	-	-	-
Cash flows:					
- Repayment	(21,542.85)	(2,57,285.07)	(4,169.77)	(352.74)	(2,83,350.43)
- Proceeds from overdraft facility	-	(2,803.20)	-	-	(2,803.20)
- Proceeds other than overdraft facility	1,06,125.00	2,41,558.61	-	-	3,47,683.61
	84,582.15	**(18,529.66)**	**(4,169.77)**	**(352.74)**	**61,529.98**
Non cash:					
- Addition during the year	-	163.19	304.77	83.00	550.96
- Foreign exchange	-	(291.98)	(89.19)	-	(381.17)
- Amortization of upfront fees and others	301.83	1,837.90	58.85	-	2,198.58
- Deferment of upfront processing fee	(762.98)	(1,509.33)	-	-	(2,272.31)
- Others	-	-	-	29.05	29.05
As at March 31, 2021	**1,70,507.14**	**3,80,983.43**	**50,412.79**	**659.72**	**6,02,563.08**

Notes:

i) The Borrowings together with debt securities and subordinate liabilities referred in notes 19, 20 and 21 are secured by way hypothecation of portfolio loans arising out of its business operations, cash collateral in the form of fixed deposits. The same have also been guaranteed by two of the directors of the Company in their personal capacity.

ii) Vehicles and building are hypothecated for respective borrowings availed for purchase of property plant and equipment's.

(All amounts in ₹ lakhs, unless otherwise stated)

Terms of repayment of debt securities, other borrowings and subordinated liabilities as on March 31, 2021 are as follows:#

Repayment	Interest rate range	Due within 1 year		Due within 1 to 2 years		Due within 2 to 3 years		Due within 3 to 4 years		Due after 4 years		Total
		No. of instalments	Amount	No. of instalments	Amount	No. of instalments	Amount	No. of instalments	Amount	No. of instalments	Amount	Amount
Monthly	Below 9.00%	158	10,330.46	97	2,725.91	59	18.22	34	9.81	9	2.10	13,086.50
	9% to 12%	320	54,285.59	163	28,170.82	33	2,196.58	-	-	-	-	84,652.99
	12.01% to 15%	875	20,244.79	240	6,062.15	20	159.63	12	80.06	12	181.06	26,727.69
	Above 15%	-	-	-	-	-	-	-	-	-	-	-
Quarterly	Below 9.00%	14	6,814.29	8	5,000.00	2	500.00	-	-	-	-	12,314.29
	9% to 12%	73	50,913.57	42	26,550.57	19	11,498.42	2	3,333.33	-	-	92,295.89
	12.01% to 15%	15	3,433.47	10	2,252.14	3	1,000.00	-	-	-	-	6,685.61
	Above 15%	-	-	-	-	-	-	-	-	-	-	-
Semi-annually	Below 9.00%	4	10,171.50	3	6,421.50	2	2,671.50	2	2,671.50	-	-	21,936.00
	9% to 12%	22	33,465.71	16	16,685.71	8	8,685.71	3	1,000.00	-	-	59,837.13
	12.01% to 15%	1	3,000.00	2	6,000.00	3	6,000.00	1	3,000.00	-	-	18,000.00
	Above 15%	-	-	-	-	-	-	-	-	4	3,000.00	3,000.00
Annually	9% to 12%	1	833.33	1	833.33	1	833.33	-	-	-	-	2,499.99
Bullet	Below 9.00%	5	20,407.62	-	-	-	-	-	-	-	-	20,407.62
	9% to 12%	14	69,322.88	6	28,709.44	2	5,000.00	-	-	1	7,350.47	1,10,382.79
	12.01% to 15%	1	2,628.00	2	10,804.77	4	20,700.00	-	-	1	20,000.00	54,132.77
	Above 15%	1	2,500.00	3	6,500.00	-	-	-	-	-	-	9,000.00
Bullet		1	2,500.00	-	-	-	-	-	-	-	-	2,500.00
On demand	Variable rates	1	30,989.97	1	14,874.51	2	18,748.13	2	0.49	6	5,006.88	69,619.98
Total		**1,506**	**3,21,841.18**	**594**	**1,61,590.85**	**158**	**78,011.52**	**56**	**10,095.19**	**33**	**35,540.51**	**6,07,079.25**

(All amounts in ₹ lakhs, unless otherwise stated)

Terms of repayment of debt securities, other borrowings and subordinated liabilities as on March 31, 2020 are as follows:#

Repayment	Interest rate range	Due within 1 year		Due within 1 to 2 years		Due within 2 to 3 years		Due within 3 to 4 years		Due after 4 years		Total
		No. of instalments	Amount	No. of instalments	Amount	No. of instalments	Amount	No. of instalments	Amount	No. of instalments	Amount	Amount
Monthly	Below 9.00%	94	4,038.24	83	4,035.88	44	965.27	12	4.96	8	3.56	9,047.91
	9% to 12%	438	55,813.47	179	23,810.56	54	7,116.09	13	3.19	-	-	86,743.31
	12.01% to 15%	874	23,291.67	482	14,145.29	26	297.58	20	139.20	54	263.12	38,136.86
	Above 15%	-	-	-	-	-	-	-	-	-	-	-
Quarterly	Below 9.00%	-	-	-	-	-	-	-	-	-	-	-
	9% to 12%	99	74,788.79	53	34,485.23	22	16,056.67	4	1,333.33	-	-	1,26,664.02
	12.01% to 15%	9	1,506.00	8	1,256.43	6	942.32	-	-	-	-	3,704.75
	Above 15%	-	-	-	-	-	-	-	-	-	-	-
Semi-annually	Below 9.00%	-		2	2,671.50	2	2,671.50	2	2,671.50	2	2,671.50	10,686.00
	9% to 12%	25	50,272.86	26	34,421.46	16	16,685.71	8	8,685.71	3	1,000.00	1,11,065.74
	12.01% to 15%	-	-	-	-	-	-	-	-	-	-	-
	Above 15%	-	-	-	-	-	-	-	-	4	3,000.00	3,000.00
Annually	9% to 12%	1	2,000.00	-	-	-	-	-	-	-	-	2,000.00
Bullet	Below 9.00%	1	2,000.00	-	-	-	-	-	-	-	-	2,000.00
	9% to 12%	10	28,750.00	2	6,498.00	1	6,800.00	-	-	-	-	42,048.00
	12.01% to 15%	4	10,200.00	-	-	3	17,586.27	3	15,700.00	1	20,000.00	63,486.27
	Above 15%	3	3,800.00	1	2,500.00	3	6,500.00	-	-	-	-	12,800.00
Bullet		-	-	-	-	1	2,500.00	-	-	-	-	2,500.00
On demand	Variable rates	-	13,793.17	1	3,000.00	2	6,000.00	1	3,000.00	4	5,005.00	30,798.17
Total		**1,558**	**2,70,254.20**	**837**	**1,26,824.35**	**180**	**84,121.41**	**63**	**31,537.89**	**76**	**31,943.18**	**5,44,681.03**

All the above mentioned repayments disclosed as per the contractual maturities of debt securities, borrowing other than debt securities and subordinate liabilities at gross carrying value.

(All amounts in ₹ lakhs, unless otherwise stated)

22. OTHER FINANCIAL LIABILITIES

Particulars	As at March 31, 2021	As at March 31, 2020
Interest accrued on debt securities	5,074.08	2,544.26
Interest accrued on borrowings other than debt securities	2,086.65	2,447.77
Interest accrued on subordinated liabilities	519.58	759.12
Payable towards assignment/securitization transactions	19,885.74	17,192.41
Margin money received from customers	94.65	412.99
First loss default guarantee	2,041.29	773.34
Payable to employees	506.38	198.74
Security deposit received	34.48	18.37
Insurance payables	143.64	27.38
Financial liability for corporate guarantee	45.95	26.53
Total	**30,432.44**	**24,400.91**

23. CURRENT TAX LIABILITIES (NET)

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for tax (net)	893.52	-
Total	**893.52**	**-**

24. PROVISIONS

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for compensation absences	1,315.26	1,086.40
Provision for compassionate	0.90	-
Total	**1,316.16**	**1,086.40**

25. OTHER NON-FINANCIAL LIABILITIES

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred income	7.06	10.02
Statutory dues payables	682.73	768.43
Total	**689.79**	**778.45**

(All amounts in ₹ lakhs, unless otherwise stated)

26. EQUITY SHARE CAPITAL

	Particulars	As at March 31, 2021		As at March 31, 2020	
		Number	Amount	Number	Amount
A	**Authorized**				
	Equity share capital of face value of ₹ 10 each				
	At the beginning of the year	6,50,00,000	6,500.00	6,50,00,000	6,500.00
	Additions during the year	3,00,00,000	3,000.00	-	-
		9,50,00,000	**9,500.00**	**6,50,00,000**	**6,500.00**
B	**Issued and subscribed**				
	Equity share capital of face value of ₹ 10 each				
	At the beginning of the year	5,20,84,694	5,208.47	4,89,50,367	4,895.04
	Additions during the year	1,99,82,283	1,998.23	31,34,327	313.43
		7,20,66,977	**7,206.70**	**5,20,84,694**	**5,208.47**
C	**Issued and Paid-up**				
	Fully paid-up				
	Equity share capital of face value of ₹ 10 each				
	At the beginning of the year	5,20,38,194	5,203.82	4,89,03,867	4,890.39
	Additions during the year	-	-	31,34,327	313.43
		5,20,38,194	**5,203.82**	**5,20,38,194**	**5,203.82**
	Partly paid-up				
	Equity share capital of face value of ₹ 10 each and paid up of ₹ 7.5 each				
	At the beginning of the year	-	-	-	-
	Additions during the year	1,99,82,283	1,498.67	-	-
		1,99,82,283	**1,498.67**	**-**	**-**
	Less: Calls in arrears	(2,55,678)	(12.78)	-	-
		1,97,26,605	**1,485.89**	**-**	**-**
	Less: Amount recoverable from Satin Employees Welfare Trust	(4,82,946)	(44.94)	(3,48,950)	(34.90)
	(Equity shares of ₹ 10 each allotted to the Satin Employees Welfare Trust)	**7,12,81,853**	**6,644.77**	**5,16,89,244**	**5,168.92**
	Add: Forfeited shares (amount originally paid on 46,500 equity shares)	-	2.35	-	2.35
		7,12,81,853	**6,647.12**	**5,16,89,244**	**5,171.27**
D	**Reconciliation of number of equity shares outstanding at the beginning and at the end of the year**				
	Balance at the beginning of the year	5,20,38,194	5,203.82	4,89,03,867	4,890.39
	Add: Issued during the year	1,99,82,283	1,498.67	31,34,327	313.43
		7,20,20,477	**6,702.49**	**5,20,38,194**	**5,203.82**
E	**Reconciliation of number of equity shares issued to Satin Employees Welfare Trust outstanding at the beginning and at the end of the year**				
	Balance at the beginning of the year	3,48,950	34.89	3,96,700	39.67
	Add: Allotted to trust during the year	1,33,996	10.05	-	-
	Less: Allotted to employees during the year	-	-	47,750	4.78
		4,82,946	**44.94**	**3,48,950**	**34.89**

F (i) During the current year, the authorized share capital of the Company was increased vide approval of equity shareholders from ₹ 6,500 lakhs divided into 65,000,000 equity shares of ₹ 10 each to ₹ 9,500 lakhs divided into 95,000,000 equity shares of ₹ 10 each.

(ii) During the year ended March 31, 2020, the Company has allotted 1,343,283 equity shares of ₹ 10 each at issue price of ₹ 335 per share including premium of ₹ 325 per share on preferential basis pursuant to conversion of 1,343,283, Optionally Convertible, Cumulative, Redeemable Preference Shares ("OCCRPS") of face value of ₹ 10 each fully paid-up to IndusInd Bank Limited (entities belonging to non-promoter group).

(iii) During the year ended March 31, 2020, the Company has allotted 1,791,044 equity shares of ₹ 10 each at issue price of ₹ 335 per share including premium of ₹ 325 per share (25% of which was paid on allotment of FCW and 75% was paid on allotment of equity shares) on preferential basis pursuant to conversion of 1,791,044 fully convertible warrants (FCW) of face value of ₹ 10 each fully paid-up to Trishashna Holdings & Investments Private Limited' (THIPL) (entities belonging to promoter group).

(All amounts in ₹ lakhs, unless otherwise stated)

(iv) During the year ended March 31, 2021, the Company has come up with the rights issue of equity shares amounting upto ₹ 120.00 Crores and allotted 1,99,82,283 Partly Paid Equity shares of ₹ 10 each at the price of ₹ 60 per share (Including premium of ₹ 50) on September 1, 2020 to existing shareholders of the Company on rights basis. The Company has received ₹ 15 per partly paid share (comprising paid up value of ₹ 2.50 and premium of ₹ 12.50) on subscription of the aforesaid shares aggregating to amount of ₹ 29.97 Crores, remaining balance of ₹ 45 per share (including premium of ₹ 37.50) was to be received in one or more calls as may be decided by the Board from time to time.

The Board of Directors of Company in their meeting held on February 12, 2021, made first call of ₹ 30 per share on the 1,99,82,283 partly paid equity shares of ₹ 10 each (₹ 2.50 paid up).

During the first call money period i.e. March 3, 2021 to March 17, 2021, the Company has received first call money on 1,97,26,605 partly paid equity shares at ₹ 30 per share (including premium of ₹ 25) aggregating to amount of ₹ 59.18 crores. For remaining 2,55,678 partly paid shares of ₹ 10 each (₹ 2.50 paid up), the final demand cum forfeiture notice has been issued. As on date partly paid equity shares of ₹ 10 each (₹ 7.50 Paid up) has been listed on BSE Limited and National Stock Exchange of India Limited.

As on March 31, 2021, the Company has received funds amounting to ₹ 89.15 Crores out of ₹ 119.89 Crores raised vide rights issue.

G Rights, preferences and restrictions

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

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

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number	%	Number	%
Trishashna Holdings & Investments Private Limited (THIPL)	2,54,77,128	35.37%	1,43,23,264	27.52%
Nordic Microfinance Initiative Fund III KS	46,63,136	6.47%	33,69,318	6.47%
DSP Equity & Bond Fund	-	-	4,785,520	9.20%
SBI FMO Emerging Asia Financial Sector Fund Pte. Limited	-	-	33,13,609	6.37%
Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Small Cap Fund	-	-	2,922,786	5.62%

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

i) On August 30, 2016, the Company has allotted 1,087,456 equity shares of ₹ 10 each at an issue price of ₹ 457.82 per share including premium of ₹ 447.82 per share on preferential basis to persons and entities belonging to promoter and non-promoter group pursuant to swap of equity shares of the Company with the shareholders of Taraashna Financial Services Limited, "TFSL" (Previously known as Taraashna Services Limited) with an intent to make it a subsidiary of the Company in accordance with the provisions of Chapter VII of SEBI (ICDR) Regulations, 2009. Accordingly, as per confirmation received from TFSL, 7,977,239 equity shares were transferred to the Company.

ii) On May 30, 2018, the Company had allotted 1,230,098 equity shares of ₹ 10 each on conversion of 1,230,098, 0.01% Optionally Convertible, Redeemable Preference Shares ("OCRPS") of face value of ₹ 10 each fully paid-up to Capital First Limited (entities belonging to non-promoter group).

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

J Shares reserved for issue under options

For details of shares reserved for issue under the Employee Stock Option Plan (ESOP), refer note 56.

K In respect of securities convertible into equity shares issue along with their earliest date of conversion and other related terms and conditions.

L The information required to be disclosed that enables user of its financial statements to evaluate the its objectives, policies and processes for managing capital is disclosed in note 44.

(All amounts in ₹ lakhs, unless otherwise stated)

27. OTHER EQUITY

Particulars	As at March 31, 2021	As at March 31, 2020
Capital redemption reserve	277.00	277.00
Share options outstanding account	217.77	540.99
Statutory reserves	9,966.39	9,966.39
General reserve	29.94	29.94
Securities premium	1,01,809.54	94,548.74
Retained earnings	26,632.46	27,808.57
Other comprehensive income:		
Equity instruments through other comprehensive income	(5.00)	(5.00)
Changes in fair value of loan assets	3,509.45	6,869.19
Cash flow hedge reserve	20.56	69.87
Total	**1,42,458.11**	**1,40,105.69**

Nature and purpose of other reserves

Capital redemption reserve

The same had been created in accordance with provisions of the Companies Act 2013 on account of redemption of preference shares.

Share options outstanding account

The reserve is used to recognize the fair value of the options issued to employees of the Company and subsidiary companies under Company's employee stock option plan.

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.

General reserve

The management has transferred a portion of the net profit to general reserve before declaring dividend pursuant to the provision of erstwhile Companies Act.

Securities premium

Securities premium represents premium received on issue of shares. The amount is utilized in accordance with the provisions of the Companies Act 2013.

Equity instruments through other comprehensive income

This represents the cumulative gains and losses arising on the fair valuation of equity instruments measured at fair value through other comprehensive income.

Changes in fair value of loan assets

This represents the cumulative gains and losses arising on the fair valuation of loan assets classified under business model of hold and hold to collect and sell.

Cash flow hedge reserve

Cash flow hedge reserve is used to eliminate or reduce the exposure that arises from changes in the cash flows of a financial asset or liability (or other eligible exposure) due to changes in a particular risk, such as interest rate risk on a floating rate debt instrument.

(All amounts in ₹ lakhs, unless otherwise stated)

28. INTEREST INCOME

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
	On financial assets measured at amortized cost	On financial assets measured classified at fair value through profit and loss	On financial assets measured at amortized cost	On financial assets measured classified at fair value through profit and loss
Interest income on portfolio loans	1,03,135.11	-	96,619.32	-
Interest income on deposits, certificate of deposits and commercial papers	6,536.74	-	6,810.35	-
Interest income on investments	-	91.35	-	2,978.17
Interest income on unwinding of assigned portfolio	1,922.88	-	1,436.54	-
Sub total	**1,11,594.73**	**91.35**	**1,04,866.21**	**2,978.17**
Total interest income		**1,11,686.08**		**1,07,844.38**

29. DIVIDEND INCOME

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Dividend income	-	2.21
Total	**-**	**2.21**

30. FEES AND COMMISSION INCOME

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Service fee and facilitation charges	632.34	868.51
Income from business correspondent operations*	3,536.82	6,210.14
Total	**4,169.16**	**7,078.65**

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

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Type of Services or service		
Income from business correspondent operations	3,536.82	6,210.14
Total revenue from contracts with customers	**3,536.82**	**6,210.14**
Geographical markets		
India	3,536.82	6,210.14
Outside India	-	-
Total revenue from contracts with customers	**3,536.82**	**6,210.14**
Timing of revenue recognition		
Services transferred at a point in time	-	-
Services transferred over time	3,536.82	6,210.14
Total revenue from contracts with customers	**3,536.82**	**6,210.14**

Particulars	As at March 31, 2021	As at March 31, 2020
Contract balances		
Trade receivable	1,098.10	375.40
Contract assets	1,268.85	-
Contract liabilities	-	115.79

(All amounts in ₹ lakhs, unless otherwise stated)

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

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue as per contract	3,536.82	6,210.14
Adjustments	-	-
Discount	-	-
Revenue from contract with customers	3,536.82	6,210.14

31. NET (LOSS)/GAIN ON FAIR VALUE CHANGES

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(A) Net (loss) / gain on financial instruments measured at fair value through profit and loss		
- Investments		
Fair value gain on mutual funds	4.91	1,368.20
(Loss)/gain on fair valuation of other investments	(10.71)	8.94
(B) Others		
- Derivatives	(639.50)	(139.70)
Total	**(645.30)**	**1,237.44**
Fair value changes		
- Realized	(10.71)	1,363.98
- Unrealized	(634.59)	(126.54)
Total	**(645.30)**	**1,237.44**

32. NET GAIN ON DERECOGNITION OF FINANCIAL INSTRUMENTS

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Gain on sale of loan portfolio through assignment	11,042.73	23,608.14
Total	**11,042.73**	**23,608.14**

33. OTHER OPERATING INCOME

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Commitment and other charges	204.93	186.29
Total	**204.93**	**186.29**

34. OTHER INCOME

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Rental income on building	54.09	84.70
Net gain on derecognition of property, plant and equipment	9.37	2.90
Net gain on termination of leases	5.41	45.32
Interest income on income-tax refund	128.52	-
Corporate guarantee premium income	7.23	0.38
Total	**204.62**	**133.30**

(All amounts in ₹ lakhs, unless otherwise stated)

35. FINANCE COSTS (ON FINANCIAL LIABILITIES MEASURED AT AMORTIZED COST)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest on debt securities	14,754.67	11,130.70
Interest on borrowings (other than debt securities)	39,118.45	38,759.22
Interest on subordinated liabilities	7,654.61	7,271.07
Interest expense for leasing arrangements	78.58	161.98
Other interest expenses	31.94	45.09
Bank Charges	122.58	318.06
Total	**61,760.83**	**57,686.12**

36. IMPAIRMENT ON FINANCIAL INSTRUMENTS (ON FINANCIAL ASSETS MEASURED AT AMORTIZED COST)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Loans written off	13,835.59	10,976.73
Impairment loss allowance on other receivable	232.28	446.54
Impairment allowance on loans	13,453.37	7,459.62
Total	**27,521.24**	**18,882.89**

37. EMPLOYEE BENEFITS EXPENSES

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries, wages and bonus	25,634.68	25,853.76
Contribution to provident and other funds	2,273.42	3,206.81
Share based payment to employees	19.02	147.97
Staff welfare expenses	214.76	458.25
Total	**28,141.88**	**29,666.79**

38. DEPRECIATION AND AMORTIZATION

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation on property, plant and equipment	904.63	954.93
Depreciation on right-of-use assets	307.23	487.13
Amortization of intangible assets	89.46	77.78
Total	**1,301.32**	**1,519.84**

(All amounts in ₹ lakhs, unless otherwise stated)

39. OTHER EXPENSES

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Travelling and conveyance	368.83	806.39
Legal and professional charges	1,450.23	2,459.16
Insurance	487.90	608.36
Rent	1,424.06	1,379.47
Auditor's fee and expenses*	42.48	28.52
Rates and taxes	34.45	33.35
Repairs and maintenance	541.30	589.75
Exchange fluctuation loss (net)	(386.16)	189.17
Documentation Charges	152.46	125.55
Corporate social responsibility#	585.00	-
Property, plant and equipment written off	6.05	-
Loss on investment property net of Rental income (refer note 13)	18.41	-
Car lease rent	-	75.00
Printing and stationery	369.19	365.13
Communication costs	444.97	508.83
(Write back)/write off against first loss default guarantee	(112.74)	828.78
First loss default guarantee expenses	1,267.94	450.00
Advertisement and publicity	107.10	248.86
Cash embezzlement	101.50	93.13
Other administrative expenses	1,145.96	1,237.18
Miscellaneous expenses	864.30	991.38
Total	**8,913.23**	**11,018.01**
*** Remuneration to auditors comprises of (excluding applicable taxes):**		
As auditors	30.00	26.00
Other services	11.25	0.95
Reimbursement of expenses	1.23	1.57
Total	**42.48**	**28.52**

 # Corporate social responsibility expenses

The Company spent ₹ 585.00 lakhs (March 31, 2020 ₹ Nil), towards Corporate Social Responsibility (CSR) activities as follows:

Particulars	For the year ended March 31, 2021		
	Amount spent	Amount unpaid	Total
Construction/acquisition of any asset	-	-	**-**
On purpose other than above	585.00	-	**585.00**

Particulars	For the year ended March 31, 2020		
	Amount spent	Amount unpaid	Total
Construction/acquisition of any asset	-	-	**-**
On purpose other than above	-	231.45	**231.45**

(All amounts in ₹ lakhs, unless otherwise stated)

40. TAX EXPENSE

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Current tax	4,570.69	5,474.97
Income tax for earlier years	392.05	-
Deferred tax (credit)/charge	(4,583.53)	215.08
Tax expense reported in the Statement of Profit and Loss	**379.21**	**5,690.05**

The major components of tax expense and its reconciliation to expected tax expense based on the enacted tax rate applicable to the Company is 25.168% (March 31, 2020: 25.168%) and the reported tax expense in statement of profit and loss are as follows:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Accounting (loss)/profit before tax expense	**(976.28)**	**21,316.76**
Income tax rate	25.168%	25.168%
Expected tax expense	(245.71)	5,365.00
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense		
Tax impact of expenses which is non deductible	242.01	168.24
Tax impact on items exempt under income tax	-	(3.71)
Impact of change in tax rates	-	159.79
Income tax for earlier years	382.54	-
Others	0.37	0.73
Tax expense	**379.21**	**5,690.05**

41. EARNINGS PER SHARE (EPS)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Net (loss)/profit after tax attributable to equity shareholders		
Net (loss)/profit for the year for basic EPS	**(1,355.49)**	**15,626.71**
Dilutive impact of optionally convertible and redeemable preference shares	-	149.40
Net (loss)/profit for the year for diluted EPS	**(1,355.49)**	**15,776.11**
Nominal value of equity share (₹)	10	10
Weighted-average number of equity shares for basis earnings per share	6,19,95,970	5,37,59,432
Effect of dilution:		
Optionally convertible preference shares	-	3,19,305
Share warrants	-	4,25,740
Share options	-	23,461
Rights Issue	24,89,342	-
Weighted-average number of equity shares used to compute diluted earnings per share	**6,44,85,312**	**5,45,27,938**
Basic earnings per share (₹)	**(2.19)**	**29.07**
Diluted earnings per share (₹)	**(2.19)**	**28.93**

(All amounts in ₹ lakhs, unless otherwise stated)

42. FINANCIAL INSTRUMENTS

A Financial assets and liabilities

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

Particulars	Note	As at March 31, 2021	As at March 31, 2020
Financial assets measured at fair value			
Derivative financial instruments fair value through profit and loss	Note - 6	34.13	673.63
Loans measured at fair value through other comprehensive income	Note - 8	5,05,504.25	4,20,819.04
Investments* measured at			
Fair value through profit and loss	Note - 9	58.06	24,573.21
Financial assets measured at amortized cost			
Cash and cash equivalents	Note - 4	1,12,068.58	1,10,732.02
Bank balances other than cash and cash equivalents	Note - 5	74,195.31	65,434.15
Trade receivables	Note - 7	1,460.92	613.14
Loans	Note - 8	45,991.98	50,120.06
Security deposits	Note - 10	290.10	360.23
Other financial assets	Note - 10	2,866.32	1,398.54
Total		**7,42,469.65**	**6,74,724.02**
Financial liabilities measured at amortized cost			
Trade payables	Note - 17	792.62	382.37
Other payables	Note - 18	1,658.58	1,447.79
Debt securities (including interest accrued)	Note - 19 and 22	1,75,581.22	88,930.40
Borrowings other than debt securities (including interest accrued)	Note - 20 and 22	3,83,729.80	4,02,661.49
Sub-ordinated liabilities (including interest accrued)	Note - 21 and 22	50,932.37	55,067.25
Other financial liabilities	Note - 22	22,752.13	18,649.76
Total		**6,35,446.72**	**5,67,139.06**

* Investment in subsidiaries are measured at cost as per Ind AS 27, 'Separate Financial Statements' and hence, not presented here.

B Fair values hierarchy

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

The categories used are as follows:

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

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

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

Valuation technique used to determine fair value

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

(All amounts in ₹ lakhs, unless otherwise stated)

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

Particulars	Level 1	Level 2	Level 3	Total
As at March 31, 2021				
Assets				
Loans at fair value through other comprehensive income				
Loans	-	5,05,504.25	-	**5,05,504.25**
Investments at fair value through profit and loss				
Mutual funds	57.55	-	-	**57.55**
Government securities	-	0.51	-	**0.51**
Derivative financial assets at fair value through profit and loss				
Currency and interest swaps	-	34.13	-	**34.13**

Particulars	Level 1	Level 2	Level 3	Total
As at March 31, 2020				
Assets				
Loans at fair value through other comprehensive income				
Loans	-	4,20,819.04	-	**4,20,819.04**
Investments at fair value through profit and loss				
Commercial paper	24,518.47	-	-	**24,518.47**
Mutual funds	54.23	-	-	**54.23**
Government securities	-	0.51	-	**0.51**
Derivative financial assets at fair value through profit and loss				
Currency and interest swaps	-	673.63	-	**673.63**

Valuation process and technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

(a) Eligible loans valued by discounting the aggregate future cash flows (both principal and interest cash flows) with credit risk-adjusted discounting rate for the remaining portfolio tenor. The Company has considered the average valuation impact arrived using risk free, cost of funds and yield free securitization approach.

(b) The use of net asset value for certificate of deposits and mutual funds on the basis of the statement received from investee party.

(c) The value of derivative contracts are determined using forward exchange rates at Balance Sheet date.

B.2 Fair value of instruments measured at amortized cost

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

Particulars	As at March 31, 2021		As at March 31, 2020	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Cash and cash equivalents	1,12,068.58	1,12,068.58	1,10,732.02	1,10,732.02
Bank balances other than cash and cash equivalents	74,195.31	74,195.31	65,434.15	65,434.15
Trade receivables	1,460.92	1,460.92	613.14	613.14
Loans	45,991.98	45,991.98	50,120.06	50,120.06
Security deposits	290.10	289.64	360.23	364.26
Other financial assets	2,866.32	2,866.32	1,398.54	1,398.54
Total	**2,36,873.21**	**2,36,872.75**	**2,28,658.14**	**2,28,662.17**

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Carrying value	Fair value	Carrying value	Fair value
Financial liabilities				
Trade payables	792.62	792.62	382.37	382.37
Other payables	1,658.58	1,658.58	1,447.79	1,447.79
Debt securities (including interest accrued)	1,75,581.22	1,81,091.99	88,930.40	90,129.05
Borrowings other than debt securities (including interest accrued)	3,83,729.80	3,92,937.65	4,02,661.49	4,04,904.27
Sub-ordinated liabilities (including interest accrued)	50,932.37	51,400.38	55,067.25	56,406.96
Other financial liabilities	22,752.13	22,752.13	18,649.76	18,649.76
Total	**6,35,446.72**	**6,50,633.35**	**5,67,139.06**	**5,71,920.20**

The management assessed that fair values of cash and cash equivalents, other bank balances, trade receivables and trade payables approximate their respective carrying amounts, largely due to the short-term maturities of these instruments. The following methods and assumptions were used to estimate the fair values for other assets and liabilities:

(i) The fair values of the Company's fixed interest bearing loans are determined by applying set of discount rates and then averaged out to arrive at the fair value.

(ii) The fair values of the Company's fixed rate interest-bearing debt securities, borrowings and subordinated liabilities are determined by applying discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. For variable rate interest-bearing debt securities, borrowings and subordinated liabilities, carrying value represent best estimate of their fair value as these are subject to changes in underlying interest rate indices as and when the changes happen.

43. FINANCIAL RISK MANAGEMENT

i) Risk Management

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

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

A) Credit risk

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

(All amounts in ₹ lakhs, unless otherwise stated)

a) Credit risk management

Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. 'The Company assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Company has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties, including regular collateral revisions. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

(i) Low credit risk

(ii) Moderate credit risk

(iii) High credit risk

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

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

Financial assets that expose the entity to credit risk*

Particulars	As At March 31, 2021	As At March 31, 2020
(i) Low credit risk		
Cash and cash equivalents	1,07,738.18	1,06,005.39
Bank balances other than cash and cash equivalents	74,195.31	65,434.15
Trade receivables	1,460.92	613.14
Loans	5,17,784.36	4,65,257.69
Security deposits	290.10	360.23
Other financial assets	2,866.32	1,398.54
(ii) Moderate credit risk		
Loans	12,973.13	6,263.00
(iii) High credit risk		
Loans	49,676.68	15,052.80
Other financial assets	6.43	168.54

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

Cash and cash equivalents and bank deposits

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

Trade receivables

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

Other financial assets measured at amortized cost

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

(All amounts in ₹ lakhs, unless otherwise stated)

Loans

The Company closely monitors the credit-worthiness of the borrower's through internal systems and appraisal process to assess the credit risk and define credit limits of borrower, thereby, limiting the credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties. These processes include a detailed appraisal methodology, identification of risks and suitable structuring and credit risk mitigation measures. The Company assesses increase in credit risk on an ongoing basis for amounts loan receivables that become past due and default is considered to have occurred when amounts receivable become 90 days past due.

The major guidelines for selection of the client includes:

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

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

* The Company has used forward looking information in form of real domestic demand and real agriculture growth rate for Micro finance loans and Consumer Prices growth rate for Micro Small and Medium Enterprises loans.

Assets are written off when there is no reasonable expectation of recovery. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognized in statement of profit and loss.

b) Credit risk exposure

i) Expected credit losses for financial assets other than loans

As at March 31, 2021	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	1,07,738.18	-	1,07,738.18
Bank balances other than cash and cash equivalents	74,195.31	-	74,195.31
Trade receivables	1,460.92	-	1,460.92
Security deposits	290.10	-	290.10
Other financial assets	2,872.75	6.43	2,866.32

As at March 31, 2020	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	1,06,005.39	-	1,06,005.39
Bank balances other than cash and cash equivalents	65,434.15	-	65,434.15
Trade receivables	613.14	-	613.14
Security deposits	360.23	-	360.23
Other financial assets	1,567.08	168.54	1,398.54

(All amounts in ₹ lakhs, unless otherwise stated)

ii) Expected credit loss for loans

Definition of default:

The Company considers default in all cases when the borrower becomes 90 days past due on its contractual payments. 'The Expected Credit Loss (ECL) is measured at 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 loan assets. ECL is the product of the Probability of Default, Exposure at Default and Loss Given Default.

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

Particulars	Stage 1	Stage 2	Stage 3
Gross carrying amount as at April 1, 2019	**4,35,589.25**	**2,871.04**	**17,788.64**
Assets originated*	4,07,540.96	4,751.85	5,333.65
Net transfer between stages			
Transfer to stage 1	594.45	(586.69)	(7.76)
Transfer to stage 2	(6,596.62)	6,602.13	(5.51)
Transfer to stage 3	(11,100.25)	(1,351.45)	12,451.69
Assets derecognized or collected (excluding write offs)	(3,61,541.42)	(5,982.92)	(7,525.32)
Write - offs (including death cases)	-	-	(12,252.23)
Gross carrying amount as at March 31, 2020	**4,64,486.37**	**6,303.96**	**15,783.16**
Assets originated*	3,58,336.13	3,220.67	9,543.85
Net transfer between stages			
Transfer to stage 1	245.53	(213.65)	(31.88)
Transfer to stage 2	(12,488.99)	12,495.26	(6.27)
Transfer to stage 3	(36,950.38)	(3,718.00)	40,668.38
Assets derecognized or collected (excluding write offs)	(2,55,923.53)	(5,115.10)	(2,563.62)
Write - offs (including death cases)	-	-	(13,637.72)
Gross carrying amount as at March 31, 2021	**5,17,705.13**	**12,973.14**	**49,755.90**

* Assets originated has been presented net of collection made during the year.

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

Reconciliation of loss allowance	Loans			Other financial assets
	Stage 1	Stage 2	Stage 3	
Loss allowance on April 1, 2019	**2,192.86**	**867.95**	**7,179.54**	**138.17**
Increase of provision due to assets originated during the year	5,751.51	1,609.78	2,304.82	-
Net transfer between stages				30.37
Transfer to stage 1	185.90	(182.79)	(3.11)	-
Transfer to stage 2	(37.27)	39.48	(2.21)	-
Transfer to stage 3	(133.70)	(400.26)	533.96	-
Assets derecognized or collected	(1,099.11)	(264.88)	(5,307.53)	-
Impact of ECL on exposures transferred between stages during the year	64.24	486.61	1,848.60	-
Loss allowance on March 31, 2020	**6,924.43**	**2,155.89**	**6,554.07**	**168.54**
Increase of provision due to assets originated during the year	1,834.95	3,044.86	5,312.12	-
Net transfer between stages				-
Transfer to stage 1	83.40	(69.51)	(13.89)	-
Transfer to stage 2	(189.15)	191.88	(2.73)	-
Transfer to stage 3	(692.70)	(1,135.75)	1,828.45	-
Assets derecognized or collected	(2,089.16)	(906.76)	(6,150.47)	(162.11)
Impact of ECL on exposures transferred between stages during the year	(3,298.67)	2,462.90	13,093.78	-
Loss allowance on March 31, 2021	**2,573.10**	**5,743.51**	**20,621.33**	**6.43**

c) Concentration of loans

Particulars	As at March 31, 2021	As at March 31, 2020
Micro finance loans	5,53,479.08	4,63,091.55
Micro, Small and Medium Enterprises (MSME)	30,844.60	27,081.29
Less: Unamortized processing fee	(3,889.51)	(3,599.35)
Total	**5,80,434.17**	**4,86,573.49**

(All amounts in ₹ lakhs, unless otherwise stated)

d) Loans secured against collateral

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

Particulars	Carrying value
As at March 31, 2021	
MSME loans secured by property, plant and equipment (including land, building and plots)	15,786.91
MSME loans secured by book debts, inventories, margin money and other working capital items	1,163.50
As at March 31, 2020	
MSME loans secured by property, plant and equipment (including land, building and plots)	5,756.47
MSME loans secured by book debts, inventories, margin money and other working capital items	2,951.34

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

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

B) Liquidity risk

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

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

(i) Financing arrangements

The Company has access to the following funding facilities:

Particulars	Total facility	Drawn	Undrawn
As at March 31, 2021			
- Expiring within one year	67,861.85	44,489.98	23,371.87
- Expiring beyond one year	9,06,106.40	8,77,061.40	29,045.00
Total	**9,73,968.25**	**9,21,551.38**	**52,416.87**

Particulars	Total facility	Drawn	Undrawn
As at March 31, 2020			
- Expiring within one year	43,528.15	14,492.80	29,035.35
- Expiring beyond one year	8,29,372.70	7,74,122.56	55,250.14
Total	**8,72,900.85**	**7,88,615.36**	**84,285.49**

(ii) Maturities of financial assets and liabilities

The table below analyses the Company financial assets and liabilities into relevant maturity groupings based on their contractual maturities. The table below shows an analysis of assets and liabilities analyzed according to when they are expected to be recovered or settled. Derivatives have been classified to mature and/or be repaid within 12 months, regardless of the actual contractual maturities of the products. With regard to loans and advances to customers, the Company uses the same basis of expected repayment behavior as used for estimating the EIR. Issued debt reflects the contractual coupon amortization.

(All amounts in ₹ lakhs, unless otherwise stated)

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

As at March 31, 2021	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Financial assets					
Non-derivatives					
Cash and cash equivalents	1,12,110.74	-	-	-	**1,12,110.74**
Bank balances other than cash and cash equivalents	62,200.60	12,000.10	2,059.55	86.24	**76,346.49**
Trade receivables	1,460.92	-	-	-	**1,460.92**
Loans	4,02,618.48	2,49,048.03	12,380.68	16,377.64	**6,80,424.83**
Investments	63.06	-	-	-	**63.06**
Other financial assets	3,063.20	64.66	25.57	39.70	**3,193.13**
Derivatives (net settled)					
Derivative financial instruments	34.13	-	-	-	**34.13**
Total undiscounted financial assets	**5,81,551.13**	**2,61,112.79**	**14,465.80**	**16,503.58**	**8,73,633.30**
Financial liabilities					
Non-derivatives					
Debt Securities	86,414.08	59,309.06	55,031.41	3,184.65	**2,03,939.20**
Borrowings other than debt securities	2,76,555.24	1,07,804.91	23,118.85	16,704.91	**4,24,183.91**
Subordinated liabilities	12,345.29	16,664.48	10,141.85	33,288.06	**72,439.68**
Trade payables	792.62	-	-	-	**792.62**
Other payables	1,658.58	-	-	-	**1,658.58**
Other financial liabilities	22,752.13	-	-	-	**22,752.13**
Provision for compassionate	0.90	-	-	-	**0.90**
Total undiscounted financial liabilities	**4,00,518.84**	**1,83,778.45**	**88,292.11**	**53,177.62**	**7,25,767.02**
Net undiscounted financial assets/(liabilities)	**1,81,032.29**	**77,334.34**	**(73,826.31)**	**(36,674.04)**	**1,47,866.28**

As at March 31, 2020	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Financial assets					
Non-derivatives					
Cash and cash equivalents	1,10,775.65	-	-	-	**1,10,775.65**
Bank balances other than cash and cash equivalents	54,552.35	9,529.02	3,743.64	466.91	**68,291.92**
Trade receivables	613.14	-	-	-	**613.14**
Loans	2,93,284.40	2,32,248.70	13,891.37	18,781.37	**5,58,205.84**
Investments	25,059.74	-	-	-	**25,059.74**
Other financial assets	1,771.59	35.30	11.28	158.57	**1,976.74**
Derivatives (net settled)					
Derivative financial instruments	673.63	-	-	-	**673.63**
Total undiscounted financial assets	**4,86,730.50**	**2,41,813.02**	**17,646.29**	**19,406.85**	**7,65,596.66**
Financial liabilities					
Non-derivatives					
Debt Securities	35,443.60	22,338.26	29,047.84	19,666.99	**1,06,496.69**
Borrowings other than debt securities	2,70,146.17	1,18,400.67	48,469.96	11,419.48	**4,48,436.28**
Subordinated liabilities	11,734.40	9,751.87	18,634.85	42,972.82	**83,093.94**
Trade payables	382.37	-	-	-	**382.37**
Other payables	1,447.79	-	-	-	**1,447.79**
Other financial liabilities	18,649.76	-	-	-	**18,649.76**
Total undiscounted financial liabilities	**3,37,804.09**	**1,50,490.80**	**96,152.65**	**74,059.29**	**6,58,506.83**
Net undiscounted financial assets/(liabilities)	**1,48,926.41**	**91,322.22**	**(78,506.36)**	**(54,652.44)**	**1,07,089.83**

The management has announced moratorium for all the customers. The maturities of financial assets and liabilities, as above, are the amount due and payable only to the extent the contractual terms with borrowers and provider of finances were amended as at March 31, 2021 and as at March 31, 2020.

(All amounts in ₹ lakhs, unless otherwise stated)

C) Market risk

a) Foreign currency risk

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

Foreign currency risk exposure:

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

Particulars	Currency	As at March 31, 2021	As at March 31, 2020
Financial liabilities			
External commercial borrowings (including interest accrued)	USD	27,160.79	20,454.71
(Gain)/loss: Derivative contract		(34.13)	(673.63)

Sensitivity

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

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
USD sensitivity*		
INR/USD - increase by 5%	(1,358.04)	(1,022.74)
INR/USD - decrease by 5%	1,358.04	1,022.74

* *Holding all other variables constant*

b) Interest rate risk

i) Liabilities

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. 'The Company's policy is to minimize interest rate cash flow risk exposures on long-term financing. As at 31 March, 2021, the Company is exposed to changes in market interest rates through debt securities, other borrowings and subordinated liabilities at variable interest rates.

Interest rate risk exposure

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

Particulars	As at March 31, 2021	As at March 31, 2020
Variable rate liabilities		
Debt securities	-	-
Borrowings other than debt securities	1,46,045.71	2,06,838.60
Subordinated liabilities	20,000.00	-
Fixed rate liabilities		
Debt securities	1,70,507.14	86,386.14
Borrowings other than debt securities	2,35,597.44	1,93,375.12
Subordinated liabilities	30,412.79	54,308.13
Total	**6,02,563.08**	**5,40,907.99**

(All amounts in ₹ lakhs, unless otherwise stated)

Sensitivity

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

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest sensitivity*		
Interest rates – increase by 0.50%	681.66	826.21
Interest rates – decrease by 0.50%	(681.66)	(826.21)

* *Holding all other variables constant*

ii) Assets

The Company's fixed deposits are carried at amortized cost and are fixed and variable rate deposits. The Company is exposed to changes in MIBOR interest rates through fixed deposits at variable interest rates.

Interest rate risk exposure

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

Particulars	As at March 31, 2021	As at March 31, 2020
Fixed deposits- variable rate	-	53,102.70
Fixed deposits- fixed rate	1,25,930.26	65,223.59
	1,25,930.26	**1,18,326.29**

Sensitivity

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

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest sensitivity*		
Interest rates – increase by 1.00%	-	531.03
Interest rates – decrease by 1.00%	-	(531.03)

* *Holding all other variables constant*

c) Price risk

i) Exposure

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

ii) Sensitivity

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

Impact on profit / (loss) after tax

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Mutual fund, Certificate of deposits and commercial paper		
Net assets value – increase by 5%	2.90	1,228.66
Net assets value – decrease by 5%	(2.90)	(1,228.66)

(All amounts in ₹ lakhs, unless otherwise stated)

44. CAPITAL MANAGEMENT

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

The Company's capital management objectives are

- to ensure the Company's ability to continue as a going concern

- to comply with externally imposed capital requirement and maintain strong credit ratings

- to provide an adequate return to shareholders

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

Particulars	As at March 31, 2021	As at March 31, 2020
Net debt*	4,23,979.50	3,70,492.97
Total equity	1,49,105.23	1,45,276.96
Net debt to equity ratio	**2.84**	**2.55**

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

45. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities analyzed according to when they are expected to be recovered or settled. Derivatives have been classified to mature and/or be repaid within 12 months, regardless of the actual contractual maturities.

Particulars	As at March 31, 2021		As at March 31, 2020	
	Within 12 months	After 12 months	Within 12 months	After 12 months
ASSETS				
Financial assets				
Cash and cash equivalents	1,12,068.58	-	1,10,732.02	-
Bank balances other than cash and cash equivalents	60,543.88	13,651.43	52,459.33	12,974.82
Derivative financial instruments	34.13	-	673.63	-
Trade receivables	1,460.92	-	613.14	-
Loans	2,98,114.06	2,53,382.17	2,27,991.70	2,42,947.40
Investments	58.06	28,260.24	24,573.21	26,760.24
Other financial assets	3,026.49	129.93	1,613.20	145.57
	4,75,306.12	**2,95,423.77**	**4,18,656.23**	**2,82,828.03**
Non-financial assets				
Current tax assets (net)	-	-	3,152.99	-
Deferred tax assets (net)	-	4,609.86	-	-
Property, plant and equipment	-	8,384.37	-	5,241.24
Capital work-in-progress	-	364.96	-	3,413.64
Investment Property	-	693.73	-	-
Other intangible assets	-	288.79	-	378.17
Other non-financial assets	2,364.76	15.06	1,725.29	27.32
	2,364.76	**14,356.77**	**4,878.28**	**9,060.37**
TOTAL ASSETS	**4,77,670.88**	**3,09,780.54**	**4,23,534.51**	**2,91,888.40**

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Within 12 months	After 12 months	Within 12 months	After 12 months
LIABILITIES AND EQUITY				
LIABILITIES				
Financial liabilities				
Payables				
Trade payables				
(i) total outstanding dues of micro enterprises and small enterprises	-	-	81.38	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	792.62	-	300.99	-
Other payables				
(i) total outstanding dues of micro enterprises and small enterprises	223.90	-	227.71	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1,434.68	-	1,220.08	-
Debt securities	66,897.79	1,03,609.35	26,462.05	59,924.09
Borrowings (other than debt securities)	2,47,376.74	1,34,266.41	2,35,354.43	1,64,859.29
Subordinated liabilities	5,425.18	44,987.61	4,185.84	50,122.29
Other financial liabilities	30,394.73	37.71	24,400.91	-
	3,52,545.64	**2,82,901.08**	**2,92,233.39**	**2,74,905.67**
Non-financial liabilities				
Current tax liabilities (net)	893.52	-	-	-
Deferred tax liabilities (net)	-	-		1,142.04
Provisions	38.32	1,277.84	234.20	852.20
Other non-financial liabilities	689.79	-	778.45	-
	1,621.63	**1,277.84**	**1,012.65**	**1,994.24**
TOTAL LIABILITIES	**3,54,167.27**	**2,84,178.92**	**2,93,246.04**	**2,76,899.91**
Net equity	**1,23,503.61**	**25,601.62**	**1,30,288.47**	**14,988.49**

46. TRANSFERRED FINANCIAL ASSETS

In the course of its micro finance activity, the Company makes transfers of financial assets, where legal rights to the cash flows from the asset are passed to the counterparty and where the Company retains the rights to the cash flows but assumes a responsibility to transfer them to the counterparty.

The Company has securitized its loan assets to an unrelated and unconsolidated entities. As per the terms of the agreements, the Company is exposed to first loss default guarantee amounting in range of 12% to 18% of the amount securitized and therefore continues to be exposed to significant risk and rewards relating to the underlying mortgage receivables. Hence, these loan assets are not derecognized and proceeds received are presented as borrowings.

The following tables provide a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities:

Securitizations	As at March 31, 2021	As at March 31, 2020
Gross carrying amount of securitized assets	7,184.45	4,632.10
Gross carrying amount of associated liabilities	5,501.35	3,910.50
Carrying value and fair value of securitized assets	6,870.23	4,569.17
Carrying value and fair value of associated liabilities	5,501.35	3,910.50
Net position	**1,368.88**	**658.67**

(All amounts in ₹ lakhs, unless otherwise stated)

47. EMPLOYEE BENEFITS

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

A Defined contribution plans

Provident and other funds

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund and other funds which are defined contribution plans. The Company has no obligations other than this to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrue.

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Employers contribution to provident and other fund	2,273.42	3,206.81

B Defined benefit plans

Gratuity

The Company has a defined benefit gratuity plan. Every employee is entitled to gratuity as per the provisions of the Payment of Gratuity Act, 1972. The scheme is funded and the scheme is managed by Life Insurance Corporation of India ("LIC"). The liability of Gratuity is recognized on the basis of actuarial valuation.

Risks associated with plan provisions

Salary increases	Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
Investment risk	If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
Discount rate	Reduction in discount rate in subsequent valuations can increase the plan's liability.
Mortality & disability	Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
Withdrawals	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

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

Particulars	As at March 31, 2021	As at March 31, 2020
Present value of obligation	1,359.95	1,199.63
Fair value of plan assets	1,428.14	1,376.09
Net obligation recognized in balance sheet as non-financial assets	**(68.19)**	**(176.46)**

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

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Current service cost	233.58	216.95
Past service cost including curtailment gains/losses	-	-
Interest cost on defined benefit obligation	81.09	84.79
Interest income on plan assets	(93.02)	(53.18)
Net impact on profit / (loss) before tax	**221.65**	**248.56**

Amount recognized in the other comprehensive income:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Actuarial gain/(loss) unrecognized during the year	(86.62)	87.80

(All amounts in ₹ lakhs, unless otherwise stated)

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

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Present value of defined benefit obligation as at the beginning of year	1,199.63	1,106.97
Current service cost	233.58	216.95
Interest cost	81.09	84.79
Past service cost including curtailment gains/losses	-	-
Benefits paid	(184.87)	(114.65)
Actuarial loss/(gain) on obligation		
Actuarial (gain)/loss on arising from change in demographic assumption	-	(222.34)
Actuarial (gain)/loss on arising from change in financial assumption	-	(293.63)
Actuarial loss on arising from experience adjustment	30.52	421.54
Present value of defined benefit obligation as at the end of the year	**1,359.95**	**1,199.63**

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

Particulars	As at March 31, 2021	As at March 31, 2020
Funds managed by LIC of India	100%	100%
Total	**100%**	**100%**

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

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Fair value of plan assets at beginning of year	1,376.09	694.20
Actual return on plan assets	101.89	74.97
Fund management charges	(64.97)	(28.43)
Employer's contribution	200.00	750.00
Benefits paid	(184.87)	(114.65)
Expected return on plan assets	-	-
Actuarial loss/(gain) on plan assets	-	-
Fair value of plan assets at the end of the year	**1,428.14**	**1,376.09**

(vi) Actuarial assumptions

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Discounting rate	6.76%	6.76%
Future salary increase	4.00%	4.00%
Retirement age (years)	60	60
Withdrawal rate		
Up to 30 years	43.40%	43.40%
From 31 to 44 years	36.00%	36.00%
Above 44 years	19.40%	19.40%
Weighted average duration	1.99	1.96

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

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

(vii) Sensitivity analysis for gratuity liability

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Impact of the change in discount rate		
Present value of obligation at the end of the year	1,359.95	1,199.63
- Impact due to increase of 0.50 %	(14.83)	(14.10)
- Impact due to decrease of 0.50 %	15.26	14.51
Impact of the change in salary increase		
Present value of obligation at the end of the year	1,359.95	1,199.63
- Impact due to increase of 0.50 %	15.59	14.82
- Impact due to decrease of 0.50 %	(15.29)	(14.54)

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

(All amounts in ₹ lakhs, unless otherwise stated)

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

(viii) Maturity profile of defined benefit obligation (discounted)

year	As at March 31, 2021	As at March 31, 2020
	Amount	Amount
0 to 1 year	503.13	407.89
1 to 2 year	265.80	250.40
2 to 3 year	179.60	164.71
3 to 4 year	120.04	108.81
4 to 5 year	77.41	71.22
5 to 6 year	50.56	46.31
6 year onwards	163.41	150.29
Total	**1,359.95**	**1,199.63**

48. RELATED PARTY DISCLOSURES

A List of related parties and disclosures

Subsidiaries:

Taraashna Financial Services Limited (Formally known as Taraashna Services Limited)
Satin Housing Finance Limited
Satin Finserv Limited

Key managerial personnel and their relatives:

Name of key managerial personnel	Designation	Relatives
Mr. Harvinder Pal Singh	Chairman cum Managing Director	Mr. Satvinder Singh
		Mrs. Anureet H P Singh
		Mrs. Ashna Pruthi
Mr. Jugal Kataria (w.e.f. January 13, 2020)	Group Controller	
Mr. Jugal Kataria (till January 12, 2020)	Chief Financial Officer	
Mr. Krishan Gopal (w.e.f. January 13, 2020 to December 12, 2020)	Chief Financial Officer	
Mr. Rakesh Sachdeva (w.e.f. December 13, 2020)	Chief Financial Officer	
Mr. Choudhary Runveer Krishanan (till August 26, 2019)	Company Secretary and Compliance Officer	
Mr. Adhish Swaroop (w.e.f. October 14, 2019 to May 11, 2021)	Company Secretary and Compliance Officer	
Mr. Vipul Sharma (w.e.f. May 12, 2021)	Company Secretary and Compliance Officer	
Mr. Satvinder Singh	Non-Executive and Non-Independent Director	
Mr. Rakesh Sachdeva (till November 4, 2020)	Non-Executive and Independent Director	
Mr. Sundeep Kumar Mehta	Non-Executive and Independent Director	
Mr. Sanjay Kumar Bhatia	Non-Executive and Independent Director	
Mr. Anil Kumar Kalra	Non-Executive and Independent Director	
Mr. Davis Frederick Golding (till April 12, 2019)	Non-Executive and Independent Director	
Mr. Arthur Sletteberg (till May 30, 2020)	Nominee Director	
Mr. Chrisitan Bernhard Ramm (w.e.f. May 30, 2020)	Nominee Director	
Mr. Goh Colin	Non-Executive and Independent Director	
Mrs. Sangeeta Khorana	Non-Executive and Independent Director	
Mr. Daniel Simpson Jacobs (till March 03, 2020)	Nominee Director	
Mr. Rajeev Kakar (w.e.f. June 06, 2019 to April 30, 2020)	Nominee Director	
Mrs. Ashna Pruthi (w.e.f. November 5, 2020 to January 6, 2021)	General Manager - Legal	

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

Satin Neo Dimensions Private Limited
Niryas Food Products Private Limited
Rental Stay Private Limited

(All amounts in ₹ lakhs, unless otherwise stated)

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

Name of related party	Nature of transaction	For the year ended March 31, 2021	For the year ended March 31, 2020
Mr. Harvinder Pal Singh	Remuneration	136.72	226.54
	Provident fund and others	17.99	65.34
	Personal guarantees withdrawn	-	700.00
Mr. Satvinder Singh	Personal guarantees given	30,000.00	-
Mr. Harvinder Pal Singh and Mr. Satvinder Singh	Personal guarantees given (jointly)	-	66,769.10
	Personal guarantees withdrawn (jointly)	6,410.55	-
Mr. Jugal Kataria	Remuneration	95.76	105.35
Mr. Rakesh Sachdeva	Remuneration	30.88	-
Mr. Krishan Gopal	Remuneration	40.84	11.08
Mr. Choudhary Runveer Krishanan	Remuneration	-	16.12
Mr. Adhish Swaroop	Remuneration	25.03	12.91
Mrs. Ashna Pruthi	Remuneration	2.58	-
Mr. Satvinder Singh	Sitting fees	5.75	3.55
Mr. Rakesh Sachdeva	Sitting fees	4.05	2.30
Mr. Sundeep Kumar Mehta	Sitting fees	7.70	4.00
Mrs. Sangeeta Khorana	Sitting fees	4.40	2.10
Mr. Goh Colin	Sitting fees	3.90	1.60
Mr. Sanjay Kumar Bhatia	Sitting fees	5.50	2.45
Mr. Anil Kumar Kalra	Sitting fees	4.15	2.35
Taraashna Financial Services Limited	Interest income	214.02	32.38
	Inter corporate loan given	900.00	1,500.00
	Inter corporate loan received back	300.00	
	Rent received	5.36	0.85
	Share based (reimbursement)/ payment	(85.83)	26.16
	Received on account of managerial services	65.59	65.59
	Services received on account of sourcing of business	150.60	-
Satin Housing Finance Limited	Interest income	6.51	10.04
	Inter corporate loan given	3,000.00	300.00
	Inter corporate loan received back	1,000.00	400.00
	Investment made	1,500.00	3,000.00
	Corporate Guarantee given	17.21	26.91
	Share based (reimbursement)/ payment	(11.88)	22.06
	Rent received	7.68	0.86
Satin Finserv Limited	Interest income	-	43.00
	Inter corporate loan given	-	4,300.00
	Inter corporate loan received back	-	4,350.00
	Investment made	-	8,000.00
	Corporate Guarantee given	9.44	-
	Received on account of managerial services	39.29	-
	Rent received	24.86	50.93
Rental Stay Private Limited	Interest income	-	17.11
	Inter corporate loan received back	-	135.50
Satin Neo Dimensions Private Limited	Interest income	19.44	28.82
	Inter corporate loan received back	16.84	19.62
	Repayment of security deposit	4.00	-
	Purchase of property, plant & equipment (WIP)	207.66	441.90
Niryas Food Products Private Limited	Rent received	5.80	5.23

(All amounts in ₹ lakhs, unless otherwise stated)

C Key management personnel compensation includes the following expenses:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Short-term employee benefits	347.22	437.34
Post employment benefits	10.23	151.72
Other long-term benefits	7.31	(2.99)
Share based payment	-	17.57

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

Name of related party	Nature of balance	As at March 31, 2021	As at March 31, 2020
Mr. Satvinder Singh	Personal guarantees	30,000.00	-
Mr. Harvinder Pal Singh and Mr. Satvinder Singh	Personal guarantees (jointly)	1,57,405.55	1,63,816.10
Mr. Goh Colin	Sitting fees	0.34	0.60
Taraashna Financial Services Limited	Investments	8,510.24	8,510.24
	Inter corporate loan	2,100.00	1,500.00
Satin Housing Finance Limited	Investments	9,500.00	8,000.00
	Inter corporate loan	2,000.00	-
Satin Finserv Limited	Investments	10,250.00	10,250.00
Satin Neo Dimensions Private Limited	Inter corporate loan*	117.27	127.49
	Other Payable	27.52	65.49
	Security deposit payable		4.00
	Interest accrued	1.96	2.23
Niryas Food Products Private Limited	Security deposit payable	0.34	0.34

* During the financial year 2020-21, Inter corporate loan includes interest capitalization on moratorium

49 . LEASES DISCLOSURE AS LESSEE

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

Right-of use assets	No of right-of use assets leased	Range of remaining term	Average remaining lease term	No of leases with extension options	No of leases with purchase options	No of leases with variable payments linked to an index	No of leases with termination options
Office building	36	10.5 Months-90 Months	31.78 months	36	-	-	36

2 Additional information on the Right-of-Use assets by class of assets is as follows:

Right-of use assets	Carrying amount as on April 1, 2020	Additions	Depreciation	Impairment	Carrying amount as on March 31, 2021
Office building	849.82	83.00	307.23	44.71	580.88

Note: The right-of-use assets are included in the same line item as where the corresponding underlying assets would be presented if they were owned.

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

Particulars	As at March 31, 2021	As at March 31, 2020
Current	163.35	307.13
Non-current	496.37	593.28
Total	**659.72**	**900.41**

4 At March 31, 2021 the Company had not committed to leases which had not commenced.

(All amounts in ₹ lakhs, unless otherwise stated)

5 The undiscounted maturity analysis of lease liabilities at March 31, 2021 is as follows:

Particulars	Less than 1 year	1-2 year	2-3 year	More than 3 years
Lease payments	226.62	196.36	152.58	261.11
Finance charges	63.27	45.57	29.64	38.47
Net present values	**163.35**	**150.79**	**122.94**	**222.64**

6 The Company has elected not to recognize 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 recognized as lease liabilities and are expensed as incurred.

7 The Company had total cash outflows for leases of ₹ 1,776.80 lakhs in March 31, 2021 (March 31, 2020: ₹ 1,932.67 lakhs).

The following are the amounts recognized in profit or loss:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation Expenses of right-of-use assets	307.23	487.13
Interest Expenses on lease liabilities	78.58	161.98
Expenses relating to short-term leases (included in other expenses)	1,424.06	1,379.47
Total amount recognized in profit or loss	**1,809.87**	**2,028.58**

The Company has lease contracts for office buildings used in its operations. Leases of these buildings generally have lease terms between 1 to 9 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets. There are several lease contracts that include extension 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 judgment in determining whether these extension and termination options are reasonably certain to be exercised.

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

The Company does not anticipate any material leases to be terminated in next three years or beyond that.

Operating leases

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

Office premises and generator

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Short term leases	1,759.70	1,915.90

Particulars	As at March 31, 2021	As at March 31, 2020
Minimum lease obligations:		
- within one year	65.38	55.27
- Later than one year but not later than five years	9.30	53.09
- Later than five years	-	-

50. SEGMENT INFORMATION

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

(All amounts in ₹ lakhs, unless otherwise stated)

51. CONTINGENT LIABILITIES AND COMMITMENTS:

(to the extent not provided for)

The Company has received income tax notice under section 143(3) of the "Income Tax Act 1961" dated April 05, 2021 for tax demand amounting to ₹ 194.63 lakhs on account of disallowance of expenses under section 43B and 36(1)(va) for assessment year 2018-19. In response to such notice, the Company is in process of filling appeal to NATIONAL FACELESS APPEAL CENTER (NFAC).

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Estimated amount of contract remaining to be executed on capital account and not provided for	242.83	765.13
Company had issued corporate financial guarantee to National Housing Bank (NHB) against the funding obtained by its subsidiary Satin Housing Finance Limited.	1,500.00	500.00
Company has issued corporate financial guarantee to Catalyst Trusteeship Limited against the Non-convertible Debenture issued by its subsidiary Satin Finserv Limited.	500.00	-
Total	**2,242.83**	**1,265.13**

52. ASSETS PLEDGED/HYPOTHECATED AS SECURITY

The carrying amounts of assets pledged/hypothecated as security are:

Particulars	As at March 31, 2021	As at March 31, 2020
Loan assets	4,81,436.50	3,91,916.28
Vehicles	95.47	83.19
Buildings	159.11	167.26
Total assets pledged as security	**4,81,691.08**	**3,92,166.73**

53. HEDGING STRATEGY

The Company's hedging strategy is to manage its exposure to interest rate risk on a net variable basis in ₹. For US $ denominated exposures this requires the Company to enter into interest rate swaps where the exposure is to a fixed interest rate. Foreign currency exposures are swapped to ₹ exposures using cross-currency interest rate swaps. These are fixed-to-fixed cross currency swaps.

Not all exposures are automatically managed under the above strategy. Where a risk is within acceptable limits the Company may decide not to apply hedge accounting to that risk. Instead, the Company will manage its exposure under broader risk management processes.

Company has opted for hedge accounting in previous year for one the the hedged item as mentioned in below. Basis on the quarterly hedge effectiveness assessment it has been noted that the hedging relationship is no longer highly effective and therefore, hence hedge relationship is discontinued. Fluctuation in foreign currency exchange rates and interest rates globally has led to the ineffectiveness that is expected to affect the hedging relationship during the term of said hedge. Hence, during the year the said hedge accounting is discontinued, however, the disclosures continued pertains to the previous year.

The following table shows the maturity profile of hedging derivatives based on their notional amounts.

Particulars	As at March 31, 2021				As at March 31, 2020			
	0 to 12 months	1 to 5 years	Over 5 years	Total	0 to 12 months	1 to 5 years	Over 5 years	Total
Cross currency interest rate swaps	-	-	-	-	-	6,487.41	-	6,487.41

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

Hedged Item	Actual hedging instrument
Particulars of hedged item are given below: Notional: USD 9,400,000 Interest: 5.93% Interest Payment Frequency: Semi - Annual Start Date: 24-Jul-19 Maturity: 05-Aug-22 Day count convention: 30E/360 Principal Amortization: No	Particulars of Hedging instrument are given below: Start date: 24-Jul-19 End Date: 05-Aug-22 Leg1: Pay: Fixed Currency: INR Notional: 6,487.41 lakhs Interest: 11.18% Interest payment frequency: Semi-Annual Day Count Convention: Act / 365 Principal Amortization: No Principal exchange: At maturity Leg 2: Receive: Fixed Currency: USD Notional: USD 9,400,000 Interest: 5.93% Interest Payment Frequency: Semi – Annual Day Count Convention: 30E/360 Principal Amortization: No Principal exchange: At maturity

Hedge Effectiveness Assessment

The prospective hedge effectiveness test shall be done on the date of designation of the hedge by i) comparing the critical terms of the hedging instrument and the hedged item (Qualitative) and ii) by performing Sensitivity Analysis by shifting the spot (+/- 5%) and interest rates (+/- 50 bps) (Quantitative). The hedging relationship will be considered effective if the following three requirements are met:

1) There is an economic relationship between the hedged item and the hedging instrument.
2) The effect of credit risk does not dominate the value changes that result from that economic relationship.
3) The hedge ratio of the hedging relationship is the same as that resulting from the quantity of hedged item that the entity actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item. The hedge ratio should not be intentionally weighted to create effectiveness.

The hedge ineffectiveness testing shall be performed at each reporting date using Dollar Offset Method. Effectiveness will be determined by using lower of two-test. The change in fair value of hedge instrument is compared with change in fair value of hedge item and lower of the two values (absolute) is taken to the cash flow hedge reserve. The left-out portion of change in fair value of hedging instrument (if any) is taken to Statement of Profit and Loss.

Market risk

Price risk

The Company's hedging policy only allows for effective hedge relationships to be established. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Company enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item, and so a qualitative assessment of effectiveness is performed. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the Company uses the hypothetical derivative method to assess effectiveness.

Ineffectiveness is recognized on a cash flow hedge where the cumulative change in the designated component value of the hedging instrument exceeds on an absolute basis the change in value of the hedged item attributable to the hedged risk. In such cases, ineffectiveness may arise if:

(All amounts in ₹ lakhs, unless otherwise stated)

(a) The critical terms of the hedging instrument and the hedged item differ (i.e. nominal amounts, timing of the forecast transaction, interest resets changes from what was originally estimated), or

(b) differences arise between the credit risk inherent within the hedged item and the hedging instrument.

During the year ended March 31, 2021, Hedge accounting has been discountinued on account of ineffectiveness, there were no ineffectiveness recognized in the Statement of Profit and Loss during March 31, 2020.

Cash flow hedges - Foreign currency risk

The Company is exposed to foreign currency risk arising from its fixed rate ECB amounting to US $ 94,00,000. Interest on the borrowing is payable at a fixed rate of 5.93% per annum and the principal amount is repayable on August 5, 2022. The Company economically hedged the foreign currency risk arising from the debt with a 'receive fixed pay fixed' cross currency interest rate swap ('swap') on July 24, 2019. The notional amount of swap is ₹ 6,487.41 lakhs. The swap contract converts the cash outflows of the foreign currency fixed rate borrowing of US $ 94,00,000 to cash outflows in ₹ with a notional amount of ₹ 6,487.41 lakhs and fixed interest of 11.18% per annum.

There is an economic relationship between the hedged item and the hedging instrument as the terms of the cross currency swap contract match that of the foreign currency borrowing (notional amount, interest payment dates, principal repayment date etc.). The Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the cross currency swap is identical to the hedged risk components. To test the hedge effectiveness, the Company uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

The hedge ineffectiveness can arise mainly if there is a change in the credit risk of the Company or the counterparty.

As mentioned previously above, due to the hedge ratio has become ineffective in current year, the hedge accounting is discontinued. Therefore, below disclosures continued pertains to the previous year.

The impact of the hedging instruments on the Balance Sheet is, as follows

Particulars	As at March 31, 2020			
	Notional amounts	Carrying amount	Line item in the statement of financial position	Change in fair value used for measuring ineffectiveness for the period
Swap	6,487.41	626.34	Derivative asset	577.86

The impact of hedged items on the Balance Sheet is, as follows:

Particulars	As at March 31, 2020		
	Change in fair value used for measuring ineffectiveness	Cash flow hedge reserve as at March 31, 2020	Cost of hedging as at March 31, 2020
US $ denominated fixed rate borrowing	(577.86)	69.87	-

The effect of the cash flow hedge in the Statement of Profit or Loss and Other Comprehensive Income is, as follows:

Particulars	As at March 31, 2020						
	Total hedging gain / (loss) recognized in OCI	Ineffective-ness recognized in profit or loss	Line item in the statement of profit or loss	Cost of hedging recognized in OCI	Amount reclassified from OCI to profit or loss	Cost of hedge reclassified from OCI to profit or loss	Line item in the statement of profit or loss
US $ denominated fixed rate borrowing	(577.86)	-	N/A	-	-	-	501.85

(All amounts in ₹ lakhs, unless otherwise stated)

Movements in cash flow hedging reserve

As mentioned previously above, due the hedge ratio has become inneffective in current year, the hedge accounting is discontinued. Below table represents the movement in hedge reserve.

Derivative instruments	For the year ended March 31, 2021	For the year ended March 31, 2020
Add: Changes in fair value of cross currency interest rate swaps	6,487.41	626.34
Less: Translation loss on loan	-	(598.86)
Add: Interest expense on borrowing	(6,553.30)	65.89
Add: Deferred tax relating to above	16.58	(23.50)
Amount recognized in the other comprehensive income:	**(49.31)**	**69.87**

Terms and conditions of financial instruments

Entities shall disclose sufficient information that enables users of its financial statements to evaluate the significance of financial instruments for its financial position and performance and the nature and extent of risks arising from these financial instruments. Under normal circumstances entities may not be required to disclose the significant terms and conditions for each of their major borrowings. Nevertheless, if an entity has a borrowing or other financial instrument with unusual terms and conditions, then some information should be provided to enable users to assess the nature and extent of risks associated with these instruments.

54. IMPACT OF COVID-19 PANDEMIC

The COVID-19 pandemic has continued to cause a significant disruption of the economic activities across the globe including India throughout the year, with second wave of the pandemic emerging towards the later part of the financial year in India. The Government of India announced a nation-wide lockdown to contain the spread of the virus and various state governments and local statutory authorities imposed restrictions on economic activities in different parts of the country which continued to impact Company's operations including lending and collection activities. Further, pursuant to the Reserve Bank of India ('RBI') COVID-19 Regulatory package issued vide circulars dated March 27, 2020 and May 23, 2020 which allowed lending institutions to offer moratorium to borrowers on payment of installments falling due between March 1, 2020 and August 31, 2020, and consequently the Company had offered a moratorium to its eligible borrowers until August 31, 2020.

In assessing the impairment allowance for loan portfolio, the Company has considered internal and external sources of information available including indicators of deterioration in the macro-economic factors. Further, the management has estimated the impact of the ongoing second wave of the pandemic on its loan portfolio, based on reasonable and supportable information available till date and considering performance after the first wave, and has noted that the existing provisioning levels are adequate to cover any further delinquencies. Given the unique nature and scale of this pandemic, its full extent of impact on the Company's operations and financial metrics, more specifically on the borrower's ability to service their obligations on a timely basis, will depend on the severity and duration of the pandemic as well as on highly uncertain future developments including governmental and regulatory measures and the Company's responses thereto. Accordingly, the management's estimate of impairment losses based on various variables and assumptions could result in actual credit loss being different than that being estimated.

The Company has assessed the impact of the pandemic on its liquidity and ability to repay its obligations as and when they are due. The Company has considered its current liquidity position, expected inflows from various sources of borrowings and stimulus packages announced by the Government of India. Based on the foregoing, management believes that the Company will be able to pay its obligations as and when these become due in the foreseeable future. The impact of the pandemic on the operations of the Company is significantly dependent on uncertain future economic conditions.

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

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, investments, property plant and equipment and intangible assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts and consensus estimates from market sources on the expected future performance of the Company. Given the dynamic nature of the pandemic situation, these estimates are based on early indicators, subject to uncertainty and may be affected by the severity and duration of the pandemic and the actual impact of the pandemic, including governmental and regulatory measures, on the business and financial metrics of the Company (including credit losses) could be different from that estimated by the Company.

ii Loss allowance for loans

Pursuant to the Reserve Bank of India circulars dated March 27, 2020 and May 23, 2020 allowing lending institutions to offer moratorium to borrowers on payment of instalments falling due between March 1, 2020 and August 31, 2020, the Company has extended moratorium to its borrowers in accordance with its Board approved policy. In management's view, providing moratorium to borrowers at a large scale based on RBI directives, by itself is not considered to result in a significant increase in credit risk ("SICR") for such borrowers. Accordingly, considering the unique and widespread impact of COVID-19 pandemic, the Company has estimated expected credit loss allowance in its provision, based on information available at this point in time to reflect, among other things, the deterioration in the macro-economic factors.

iii Loss allowance for other receivables

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

iv Revenue from operations

The Company has evaluated the impact of COVID – 19. Due to the nature of the pandemic, the Company will continue to monitor developments to identify significant uncertainties relating to revenue in future periods. For all loan accounts where the moratorium is granted, the asset classification remained stand still during the moratorium period (i.e. the number of days past due shall exclude the moratorium period for the purposes of asset classification under the Income Recognition, Asset Classification and Provisioning norms).

v Impairment assessment of Property plant and equipment, intangible assets

The Company is engaged primarily in providing micro finance services to women in the rural areas of India who are enrolled as members and organized as Joint Liability Groups ('JLG'). Considering the nature of business the Company does not have major Property, Plant & Equipment assets. As at March 31, 2021, the estimated recoverable amount of the CGU exceeded its carrying amount. Reasonable sensitivities in key assumptions consequent to the change in estimated future economic conditions on account of possible effects relating to Covid 19 are unlikely to cause the carrying amount to exceed the recoverable amount of the cash generating unit.

vi Impairment assessment of Investment in Subsidiary Companies

Management assesses impairment loss on the investments when impairment indicators exist by comparing the fair value and carrying value of such investments. During the year management assessed if there are any impairment indicators exist on its investment in subsidiary companies and noted that such indicators exist because of Covid-19 pandemic on its investment in one of its subsidiary company i.e. Taraashna Financial Services Limited (Formally known as Taraashna Services Limited). The equity shares of the subsidiary company is not listed on a stock exchange. Therefore, value of the investment was determined based on discounted cash flows method. The use of discounted cash flow valuation method requires exercise of judgment in selection of significant assumptions, including growth rates used, the future expected free cash flows and the cost of equity. The cash flows used in projections are adjusted for potential impact of COVID 19 pandemic as well. An external valuation firm has carried out the said valuation. Fair valuation derived has come to ₹ 62.67 per equity share against the cost of investment by holding company at ₹ 53.06 per equity share.

The said valuations reflect the inherent strength and future business prospects of this company. Since the said valuation of the subsidiary is higher than the book value hence, there is no impairment. .

vii Credit risk on cash and cash equivalents

Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks, commercial

(All amounts in ₹ lakhs, unless otherwise stated)

papers and certificate of deposits of financial institutions with high ratings assigned by international and domestic credit rating agencies. Ratings and Financials of the counterparties are monitored periodically. The Company reviews the portfolio on regular basis.

The Company has assessed the impact of the COVID- 19 pandemic on its liquidity and ability to fulfill its obligations as and when they are due and has evaluated the asset-liability maturity (ALM) pattern in various time buckets as prescribed under the guidelines issued by the RBI. Pursuant to the order issued by the Ministry of Home Affairs on April 15, 2020 allowing microfinance companies to start operations, the Company resumed operations by complying with the regulatory guidelines on businesses, social distancing etc. Our employees were able to meet and collect installments from those borrowers willing to repay, due to minimal impact of the lockdown on them as observed since the resumption of operations, the management is confident that collections will continue to improve, albeit likely to be at a lower level than earlier. Based on the foregoing, current liquidity position and necessary stress tests considering various scenarios, management is confident that the Company will be able to fulfill its obligations as and when these become due in the foreseeable future.

viii Credit risk on loans

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

During the year ended as at March 31, 2021, The Company has restructured eight MSME loans amounting to ₹ 211.15 lakhs and therefore the Company has considered these loans for significant increase in credit risk assessment. The Company has made additional ECL to the tune of ₹ 80.09 lakhs on these loans on account of SICR provisioning.

Also, the Company has made additional provision to the tune of ₹ 4,361.14 lakhs on JLG loans where the Company has provided additional support/re-finance to such borrowers considering their repayment behavior during and after moratorium period till the date of additional support/re-finance.

55. In accordance with notification no. RBI/2021-22/17 DOR.STR.REC.4/21.04.048/2021-22 dated April 7, 2021 issued by the RBI, all lending institutions shall refund/adjust 'interest on interest' amounting to ₹ 20.70 lakhs to all borrowers including these who had availed working capital facilities during the moratorium period, irrespective of whether moratorium had been fully or partially availed, or not availed. Pursuant to these instructions, the Indian Banks Association (IBA) in consultation with other industry participants/bodies published the methodology for calculation of the amount of such 'interest on interest'. Accordingly, the Company has estimated the said amount and made provision for refund/adjustment in these financial results.

56. EMPLOYEE STOCK OPTION PLAN / SCHEME (ESOP/ ESOS)

Pursuant to the approval accorded by shareholders of Satin Creditcare Network Limited ('Company")at their Annual General Meeting held on July 6, 2017, the Nomination and Remuneration Committee of the Company formulated a new scheme 'Satin Employee Stock Option Scheme 2017' (ESOS 2017) in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. ESOS is applicable to all permanent and full-time employees (as defined in the Plan), excluding promoters of the Company. The eligibility of employees to receive grants under the Plan has to be decided by the Nomination and Remuneration Committee from time to time at its sole discretion. Vesting of the options and vesting period shall take place in the manner determined by the Nomination and Remuneration Committee at the time of grant. Vesting of options shall be subject to the condition that the Grantee shall be in continuous employment with the Company and such other conditions as provided under ESOS 2017. The Exercise Price of each grant is determined by the Nomination and Remuneration Committee at the time of grant.

(All amounts in ₹ lakhs, unless otherwise stated)

Presently, stock options have been granted or shares have been issued under the following scheme:

A. Satin Employee Stock Option Scheme 2009 (ESOS 2009)

B. Satin Employee Stock Option Scheme 2017 (ESOS 2017)

a) Employee stock option schemes:

ESOS 2009: Initially 425,000 equity shares of ₹ 10 each at a premium of ₹ 10 each were allotted to Satin Employees Welfare Trust on November 27, 2009. (This scheme was terminated vide Shareholders Resolution dated July 6, 2017)

Details of grant and exercise of such options are as follows:

Particulars	Grant – 1 of ESOS 2009			Grant – 2 of ESOS 2009			Grant – 3 of ESOS 2009		
No. of options granted	1,50,000			98,300			87,900		
Date of grant of options	January 12, 2010			December 2, 2013			December 2, 2016		
No. of employee to whom such options were granted	2			29			36		
Financial year (F.Y.)	F.Y. 2010-11	F.Y. 2011-12	F.Y. 2012-13	F.Y. 2014-15	F.Y. 2015-16	F.Y. 2016-17	F.Y. 2017-18	F.Y. 2018-19	F.Y. 2019-20
No. of employees who have exercised the option	2	2	2	25	23	23	22	18	15
No. of options exercised	50,000	50,000	50,000	25,824	22,633	27,243	21,100	19,300	13,300

Note: There was NIL options vested in 2013-14.

Satin ESOP 2010: 100,000 equity shares of ₹ 10 each at a premium of ₹ 12 were allotted to Satin Employees Welfare Trust on June 22, 2010 (The scheme was terminated vide Shareholders Resolution dated July 6, 2017 and the outstanding options were transferred to Satin ESOS 2017).

Satin ESOP II 2010: 150,000 equity shares of ₹ 10 each at a premium of ₹ 15 were allotted to Satin Employees Welfare Trust on April 21, 2011 (The scheme was terminated vide Shareholders Resolution dated July 6, 2017 and the outstanding options were transferred to Satin ESOS 2017).

ESOS Scheme 2017: All options not exceeding 3,61,400 representing 0.96% of the paid-up Capital of the Company as on March 31, 2017 (or such other adjusted figure for any bonus, stock splits or consolidations or other reorganization of the capital structure of the Company as may be applicable from time to time including the shares lying with the Trust that may remain unutilized pursuant to non-exercisability of options granted under Satin ESOS 2009, 2010 (I) and 2010 (II), to or for the benefit of permanent employees of the Company and its subsidiaries whether working in India or outside India. The said ESOS Scheme, 2017 were approved in twenty seventh Annual General Meeting of the Company held on July 6. 2017.

Details of grant and exercise of such options are as follows:

Particulars	Grant – 1 of ESOS 2017			Grant – 2 of ESOS 2017		
No. of options granted	1,45,200			2,26,600		
Date of grant of options	August 14, 2017			May 30, 2018		
No. of employee to whom such options were granted	57			35		
Financial year (F.Y.)	F.Y. 2018-19	F.Y. 2019-20	F.Y. 2020-21	F.Y. 2019-20	F.Y. 2020-21	F.Y. 2021-22
No. of employees who have exercised the option	18	27	-	13	-	NA
No. of options exercised	12,200	13,500	-	20,950	-	NA

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(All amounts in ₹ lakhs, unless otherwise stated)

b) The Company has provided following share based options to its employees:

Particulars	ESOS 2009	ESOS 2017
Date of grant	January 12, 2010, December 2, 2013 and December 2, 2016	August 14, 2017 and May 30, 2018
Date of board meeting, where ESOP/ESOS were approved	November 27, 2009	May 26, 2017
Date of committee meeting where grant of options were approved	January 12, 2010 November 12, 2013 and November 09, 2016	August 14, 2017 and May 30, 2018
Date of shareholders' approval	June 1, 2009	July 06, 2017
No. of options granted	336,200 out of 425,000	3,71,800
Method of settlement	Equity	Share/Cashless route
Vesting conditions	The actual vesting of options will depend on continuation to hold the services being provided to the Company at the time of exercise of options and such other conditions as mentioned in the ESOS Scheme.	The actual vesting of options will depend on continuation to hold the services being provided to the Company at the time of exercise of options and such other conditions as mentioned in the ESOS Scheme, 2017.
Vesting period	Option will be vested at the end of year 1 – 33.33% end of year 2 – 33.33% end of year 3 – 33.34% end of year Subject to lock in period of one year from the date of transfer of shares and other terms as stipulated in the Scheme and prescribed under the law in force.	Grant 1 of ESOS 2017 Option will be vested at the end of year 1 – 33.33% end of year 2 – 33.33% end of year 3 – 33.34% end of year Grant 2 of ESOS 2017 Option will be vested at the end of year 1 – 50% end of year 2 – 50% end of year
Exercise period	It shall commence from the date of vesting of options and expire not later than 2 months from the vesting date of each grant of options	It shall commence from the date of vesting of options and expire not later than 1 Year from the vesting date of each grant of options

Note: ESOS 2009 scheme was repealed in terms of Resolution passed by the Shareholders at their meeting held on July 6, 2017.

Details of Vesting and Exercise of Options (ESOS 2009):

Vesting Date	Vested options	No of options exercised
January 12, 2011	50,000	50,000
January 12, 2012	50,000	50,000
January 12, 2013	50,000	50,000
December 2, 2014	29,090	25,824
December 2, 2015	29,100	22,633
December 2, 2016	29,110	27,243
December 2, 2017	22,300	21,100
December 2, 2018	19,300	19,300
December 2, 2019	13,300	13,300

Details of Vesting and Exercise of Options (Grant 1 of ESOS 2017):

Vesting Date	Vested options	No of options exercised
August 14, 2018	21,400	12,200
August 14, 2019	15,800	13,500
August 14, 2020*	11,400	-

* These options are available for exercise till August 13, 2021

(All amounts in ₹ lakhs, unless otherwise stated)

Details of Vesting and Exercise of Options (Grant 2 of ESOS 2017):

Vesting Date	Vested options	No of options exercised
May 30, 2019	1,05,050	20,950
May 30, 2020	96,850	-

* These options are available for exercise till August 13, 2021

i) The details of ESOS 2009 are summarized below:

Particulars	As at March 31, 2021		As at March 31, 2020	
	ESOS 2009		ESOS 2009	
	No. of options	Weighted average exercise price	No. of options	Weighted average exercise price
Outstanding options at the beginning of the year*	-	-	-	-
Exercised during the year	-	-	13,300	20
Number of shares arising as a result of exercise of options	-	-	13,300	20
Expired/ lapsed during the year	-	-	6,000	20
Options shifted to new ESOS Scheme 2017	-	-	6,000	-
Exercisable at the end of the year	-	-	-	-
Weighted average remaining contractual life (in years) of the option exercisable	-	-	-	-
Weighted average fair value of the options exercisable at grant date		420.75		420.75
Loan repaid by the Trust during the year from exercise price received (amount in lakhs)	-	-	2.66	-

* Being ESOS 2009 doesn't exist as of March 31, 2021, the above reporting has been made for the options granted earlier.

ii) Weighted average exercise price of share (fair market value) during the year ended March 31, 2021: NA (March 31, 2020: ₹ 218.18).

iii) The details of ESOS Scheme 2017 are summarized below:

Particulars	As at March 31, 2021		As at March 31, 2020	
	ESOS 2017		ESOS 2017	
	No. of options	Weighted average exercise price	No. of options	Weighted average exercise price
Outstanding options at the beginning of the year	1,49,150	At a discount/ premium on fair value	1,25,700	At a discount/ premium on fair value
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	160	34,450	160
Number of shares arising as a result of exercise of options	-	160	34,450	160
Expired/ lapsed during the year under ESOS Scheme, 2017	1,20,500	160	17,450	160
Options expired/ lapsed under earlier ESOP Scheme's (adjusted)*	-	-	6,000	-
Outstanding options at the end of the year	2,69,500	-	1,49,150	-
Exercisable at the end of the year	79,300	160	1,99,800	160
Weighted average remaining contractual life (in years) of the option exercisable	-	0.19	-	0.32
Weighted average fair value of the options exercisable at grant date	Grant -1	166.98	Grant -1	166.98
	Grant -2	254.54	Grant -2	254.54
Loan repaid by the Trust during the year from exercise price received (amount in lakhs)		-	6.89	-

* Outstanding Options of previous ESOS schemes has been transferred to new ESOS scheme 2017

(All amounts in ₹ lakhs, unless otherwise stated)

iv) Weighted average exercise price (fair market value) of share during the year ended March 31, 2021: NA (March 31, 2020: ₹ 278.20).

The detail of exercise price for stock option at the end of the financial year 2020-21 is:

Series	Range of exercise price	No. of options outstanding for Exercise	Weighted average remaining contractual life of options (in years)	Weighted average exercise price	Remarks
Grant-3 ESOS 2009	20 per option	-	-	20	Scheme Repealed
Grant-1 ESOS Scheme 2017	160 per option	10,200	0.37	160	New Scheme
Grant-2 ESOS Scheme 2017	160 per option	69,100	0.16	160	New Scheme

v) Employee wise details (name of employee, designation, number of options granted during the year, exercise price) - NIL*

*There was no grant this year, however Outstanding Grants has been adjusted due to rights issue. Further Grant for Rights Issue can be exercise only along with exercise of Original Grant

There is no identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.

vi) The fair value of the options granted is determined on the date of the grant using the "Black-Scholes option pricing model" with the following assumptions, as certified by an independent valuer:

Particulars	Grant 3 ESOS 2009	Grant 1 ESOS 2017			Grant 2 ESOS 2017	
	3rd tranche of vesting	1st tranche of vesting	2nd tranche of vesting	3rd tranche of vesting	1st tranche of vesting	2nd tranche of vesting
Date of grant	**December 2, 2016**	**August 14, 2017**	**August 14, 2017**	**August 14, 2017**	**May 30, 2018**	**May 30, 2018**
Fair market value of option on the date of grant	438.40	267.38	267.38	267.38	386.65	386.65
Exercise price	20.00	160.00	160.00	160.00	160.00	160.00
Expected volatility (%)	60.39%	55.86%	62.90%	62.90%	45.31%	53.94%
Expected option life (weighted average)	3.08	1.50	2.50	3.50	1.50	2.50
Expected dividends yield	-	-	-	-	-	-
Risk free interest rate (%)	6.03%	6.35%	6.40%	6.45%	7.53%	7.66%

The expected volatility was determined based on historical volatility data of the Company's shares listed on the National Stock Exchange of India Limited.

vii) The Company has recognized share based payment expense of ₹ 19.02 lakhs (March 31, 2020: ₹ 147.97 lakhs) during the year as proportionate cost.

viii) The Company has ₹ 79.69 lakhs (March 31, 2020: ₹ 79.69 lakhs) recoverable from Satin Employees Welfare Trust pursuant to ESOP schemes.

ix) During the year under review, the Company has come out with the rights issue of partly paid up equity shares for the existing shareholders of the Company as on record date. Further Pursuant to para 5 of the ESOP Scheme 2017, the Number of Shares to be issued, upon exercising the vested options, shall be adjusted/enhanced in accordance with the corporate action. Accordingly, Employee who exercises the vested option, will also be entitled for the Rights Equity shares in the ratio of 48 Rights Equity Share for every 125 Equity Shares issued on exercise of vested options. The employee can apply for Rights issue shares only after exercising corresponding options and will be entitled on the basis of Rights issue Ratio. Rights Issue Shares will be issued to an employee at par, i.e. the price at which the rights shares were acquired by trust. As on March 31, 2021 , Employee Welfare Trust has paid ₹ 45 per Rights Equity Share.

(All amounts in ₹ lakhs, unless otherwise stated)

57. DISCLOSURE OF EXPECTED CREDIT LOSS AND PROVISIONS REQUIRED AS PER INCOME RECOGNITION AND ASSET CLASSIFICATION NORMS;

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
Performing Assets						
Standard	Stage 1	5,15,978.67	2,573.12	5,13,405.55	115.07	2,458.05
	Stage 2	13,061.89	5,743.50	7,318.39	2.05	5,741.45
Subtotal		**5,29,040.56**	**8,316.62**	**5,20,723.94**	**117.12**	**8,199.50**
Non-Performing Assets (NPA)						
Substandard	Stage 3	-	-	-	-	-
Doubtful - up to 1 year	Stage 3	46,402.14	20,141.01	26,261.13	12,244.05	7,896.96
1 to 3 years	Stage 3	1,114.79	480.31	634.48	856.99	(376.68)
More than 3 years	Stage 3			-		-
Subtotal for doubtful		**47,516.93**	**20,621.32**	**26,895.61**	**13,101.04**	**7,520.28**
Loss	Stage 3					
Subtotal for NPA						
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	527.25	6.43	520.82	-	6.43
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		**527.25**	**6.43**	**520.82**	**-**	**6.43**
Total	Stage 1	5,16,505.92	2,579.55	5,13,926.37	115.07	2,464.48
	Stage 2	13,061.89	5,743.50	7,318.39	2.05	5,741.45
	Stage 3	47,516.93	20,621.32	26,895.61	13,101.04	7,520.28
	Total	**5,77,084.74**	**28,944.37**	**5,48,140.37**	**13,218.16**	**15,726.21**

58. ADDITIONAL DISCLOSURES AS REQUIRED BY THE RESERVE BANK OF INDIA: -

(A) Disclosure as per Master Direction DNBR.PD.008/03.10.119/2016-17 (updated as on February 23, 2018) are as under:-

(i) Capital to Risk Assets Ratio ("CRAR"):-

Particulars	As at March 31, 2021	As at March 31, 2020
CRAR (%)	25.28	30.45
CRAR – Tier I capital (%)	19.73	22.08
CRAR – Tier II capital (%)	5.55	8.37
Amount of subordinated debt included in Tier-II capital	47,165.07	50,610.78
Amount raised by issue of perpetual debt instruments	-	-

(All amounts in ₹ lakhs, unless otherwise stated)

(ii) Disclosure of investments:-

Particulars	As at March 31, 2021	As at March 31, 2020
1) Value of investments		
i) Gross value of investments	28,318.30	51,333.45
a) In India	28,318.30	51,333.45
b) Outside India	-	-
ii) Provisions of depreciation	-	-
a) In India	-	-
b) Outside India	-	-
iii) Net Value of investments	28,318.30	51,333.45
a) In India	28,318.30	51,333.45
b) Outside India	-	-
2) Movement of provisions held towards depreciation on investments		
i) Opening balance	-	-
ii) Add: Provision made during the year	-	-
iii) Less: Write-off/Write back of excess provision during the year		
iv) Closing balance	-	-

(iii) Derivatives :-

Forward Rate Agreement / Cross Currency Swaps

Particulars	As at March 31, 2021	As at March 31, 2020
Notional Principal of swap agreements	27,089.80	21,227.46
Loss/(profit) which would be incurred if counterparties failed to fulfil their obligations under the agreements	(34.13)	(673.63)
Collateral required by the applicable NBFC upon entering into swaps	-	-
Concentration of credit risk arising from swaps	-	-
Fair value of the swap book	(34.13)	(673.63)

(iv) (a) Disclosures relating to securitization:-

The Company has entered into various agreements for the securitization of loans with assignees, wherein it has securitized a part of its loans portfolio amounting to ₹ 5,611.43 lakhs during the year ended March 31, 2021 (March 31, 2020 ₹ 5,422.80 lakhs), being the principal value outstanding as on the date of the deals that are outstanding. The Company is responsible for collection and getting servicing of this loan portfolio on behalf of investors/buyers. In terms of the said securitization agreements, the Company pays to investor/buyers on agreed date basis the prorata collection amount as per individual agreement terms.

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2021	As at March 31, 2020
1 No of SPVs sponsored by the NBFC for securitization transaction	2	1
2 Total amount of securitized assets as per books of the SPVs sponsored by the NBFC	7,187.99	4,619.04
3 Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet	-	-
a) Off Balance sheet exposures	-	-
* First loss	-	-
* Others	-	-
b) On Balance sheet exposures	-	-
* First loss	718.17	329.21
* 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	-	-

In addition to exposures mentioned above, on balance sheet exposure also includes over collateralization of ₹ 1,157.65 lakhs (March 31, 2020: ₹ 596.51 lakhs)

(b) Disclosure as per RBI circular no.DBOD.No.BP.BC.60/21.04.048/200506 dated February 1, 2006.

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
i) Total number of loan assets securitized during the year	17,756	22,167
ii) Book value of loans assets securitized during the year	5,611.43	5,422.80
iii) Sale consideration received during the year	5,611.43	5,422.80
iv) Credit enhancement provided during the year	392.80	325.37
v) Unamortized interest spread as at year end	-	-
vi) Interest spread recognized in the statement of profit and loss during the year (including amortization of unamortized interest spread) *	-	-

Above Credit enhancement includes only fixed deposit provided in the form of Cash collateral.

* Under Ind AS 109, securitized loan assets does not meet de-recognition criteria and accordingly, the Company continues to recognize such loan assets and in addition recognizes a liability for the amount received. Accordingly, securitized loan assets and related liability is measured at amortized cost using effective interest method.

(v) Detail of assignment transactions undertaken:-

The Company has entered into various agreements for the assignments of loans with assignees, wherein it has assigned a part of its loans portfolio amounting to ₹ 74,271.48 lakhs during the year ended March 31, 2021 (March 31 2020 ₹ 316,153.01 lakhs), being the principal value outstanding as on the date of the deals that are outstanding. In terms of accounting policy mentioned in Significant Accounting Policies, The Company has derecognized these loan portfolios. The Company is responsible for collection and getting servicing of this loan portfolio on behalf of investors/buyers. In terms of the said assignment agreements, the Company pays to investor/buyers on agreed date basis the pro rata collection amount as per individual agreement terms.

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
i) Total number of loans assets assigned during the year	3,12,636	16,18,532
ii) Book value of loans assets assigned during the year	74,271.48	3,16,153.01
iii) Sale consideration received during the year	74,271.48	3,16,153.01
iv) Interest spread recognized in the statement of profit and loss during the year (including amortization of unamortized interest spread)	6,144.89	23,608.14

(vi) Details of financial asset sold to Securitization/Reconstruction Company for asset reconstruction:-

The Company has not sold financial assets to Securitization/Reconstruction Companies for asset reconstruction in the current and previous year.

(vii) Detail of non-performing financial asset purchased/sold:-

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

(viii) Asset Liability Management Maturity pattern of certain items of assets and liabilities:-

As at March 31, 2021

Particulars	1 Day to 30/31 (One Month)	Over 1 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 upto 3 Year	Over 3 Year upto 5 Year	Over 5 Year	Total
Liabilities									
Borrowings from Banks	21,494.92	6,754.70	23,202.54	43,042.04	54,425.66	53,993.88	23,338.78	-	**2,26,252.52**
Market Borrowings (other than Banks)	9,399.73	3,978.77	11,464.80	36,491.13	1,12,172.28	1,63,484.04	10,610.83	1,619.17	**3,49,220.75**
Foreign Borrowings	-	1,335.75	306.27	306.27	1,948.29	13,171.25	2,671.50	7,350.47	**27,089.80**
Payable towards assignment and securitization transactions	19,885.74	-	-	-	-	-	-	-	**19,885.74**
Assets									
Advances	1,55,575.44	17,758.12	23,229.37	1,05,398.44	1,67,859.74	2,55,075.16	8,719.54	4,144.30	**7,37,760.11**
a) Portfolio (including Securitization)	29,881.21	16,733.26	20,819.94	74,101.84	1,56,577.80	2,40,601.67	8,636.20	4,144.30	**5,51,496.22**
b) Advances- Others	1,25,694.23	1,024.86	2,409.43	31,296.60	11,281.94	14,473.49	83.34	-	**1,86,263.89**
Investments	-	-	-	-	57.55	-	-	28,260.75	**28,318.30**

As at March 31, 2020

Particulars	1 Day to 30/31 (One Month)	Over 1 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 upto 3 Year	Over 3 Year upto 5 Year	Over 5 Year	Total
Liabilities									
Borrowings from Banks	28,441.14	5,919.47	20,039.80	36,193.90	63,541.85	74,814.02	3,941.00	20,000.00	**2,52,891.18**
Market Borrowings (other than Banks)	4,616.08	7,437.47	8,111.49	36,766.59	60,740.13	1,23,805.21	26,565.09	8,005.00	**2,76,047.06**
Foreign Borrowings	-	-	314.11	314.11	628.22	14,628.03	5,343.00	-	**21,227.47**
Payable towards assignment and securitization transactions	17,192.41	-	-	-	-	-	-	-	**17,192.41**
Assets									
Advances	1,24,258.53	3,349.15	18,815.45	66,539.34	1,76,800.52	2,24,253.78	24,591.06	2,405.17	**6,41,013.00**
a) Portfolio (including Securitization)	2,659.46	1,107.90	10,629.35	51,179.20	1,62,210.14	2,10,527.95	24,127.66	2,405.17	**4,64,846.83**
b) Advances- Others	1,21,599.07	2,241.25	8,186.10	15,360.14	14,590.38	13,725.83	463.40	-	**1,76,166.17**
Investments	-	-	9,880.43	14,692.27	-	-	-	26,760.75	**51,333.45**

Notes:

i) Above mentioned portfolio (own) does not include undrawn facilities amounting to ₹ 2,400 lakhs (March 2020 ₹ 4,000 lakhs), since there are no sanctioned disbursement schedule.

ii) Unamortized processing fees and unamortized transaction costs are not included in portfolio and borrowings.

(All amounts in ₹ lakhs, unless otherwise stated)

(ix) Exposures:-

(a) Exposure to real state sector:-Nil (March 31, 2020 : Nil)

(b) Exposure to capital market:-Nil (March 31, 2020 : Nil)

(x) Details of Single Borrower Limit (SGL)/Group Borrower Limit (GBL) exceeded by applicable NBFC.

The Company does not have single or group borrower exceeding the limits.

(xi) Unsecured Advances – Refer note 8 of Balance Sheet notes

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

This disclosure is not applicable as the Company does not have any holding/parent Company.

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

The Company is registered with following other financial sector regulators:

(a) Ministry of Corporate Affairs (MCA)]

(b) Ministry of Finance (Financial Intelligence Unit)

(c) Securities and Exchange Board of India (SEBI)

(d) Central Registry of Securitization Asset Reconstruction and Security Interest of India (CERSAI)

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

No major penalty has been imposed by RBI during the year.

(xv) Related party transactions:-

Please refer to note no 48

(xvi) Rating assigned by credit rating agencies and migration of ratings during the year-

The Credit Analysis & Research Limited has reaffirmed the MFI grading, MFI 1, during the year.

During the year, the Company's various instruments were rated, the details of these ratings are as under.-

S. No.	Particulars	Amount (₹ in Crores)	Credit rating agency	Current rating	Previous rating
1	Non Convertible Debentures	97.00	Credit Analysis & Research Limited	CARE A-; Stable	CARE A-; Stable
2	Non Convertible Debentures	24.20	Credit Analysis & Research Limited	CARE A-; Stable	CARE A-; Stable
3	Non Convertible Debentures	38.70	Credit Analysis & Research Limited	CARE A-; Stable	CARE A-; Stable
4	Non Convertible Debentures	213.00	Credit Analysis & Research Limited	CARE A-; Stable	CARE A-; Stable
5	Non Convertible Debentures	12.50	Credit Analysis & Research Limited	CARE A-; Stable	CARE A-; Stable
6	Non Convertible Debentures	12.50	Credit Analysis & Research Limited	CARE A-; Stable	CARE A-; Stable
7	Non Convertible Debentures	120.00	Credit Analysis & Research Limited	CARE A-; Stable	Assigned
8	Non Convertible Debentures	60.00	Credit Analysis & Research Limited	CARE A-; Stable	CARE A-; Stable
9	Non Convertible Debentures	65.00	Credit Analysis & Research Limited	CARE A-; Stable	CARE A-; Stable
10	Non Convertible Debentures	26.28	Credit Analysis & Research Limited	CARE A-; Stable	CARE A-; Stable
11	Non Convertible Debentures	68.00	Credit Analysis & Research Limited	CARE A-; Stable	CARE A-; Stable
12	Subordinate Debt	50.05	Credit Analysis & Research Limited	CARE A-; Stable	Assigned
13	Non Convertible Debentures	25.00	Credit Analysis & Research Limited	CARE A-; Stable	CARE A-; Stable

(All amounts in ₹ lakhs, unless otherwise stated)

S. No.	Particulars	Amount (₹ in Crores)	Credit rating agency	Current rating	Previous rating
14	Non Convertible Debentures	25.00	Credit Analysis & Research Limited	CARE A-; Stable	CARE A-; Stable
15	Non Convertible Debentures	25.00	Credit Analysis & Research Limited	CARE A-; Stable	CARE A-; Stable
16	Non Convertible Debentures	15.00	Credit Analysis & Research Limited	CARE A-; Stable	CARE A-; Stable
17	Non Convertible Debentures	50.00	Credit Analysis & Research Limited	CARE A-; Stable	CARE A-; Stable
18	Non Convertible Debentures	100.00	Credit Analysis & Research Limited	CARE A-; Stable	CARE A-; Stable
19	Non Convertible Debentures	50.00	Credit Analysis & Research Limited	CARE A-; Stable	CARE A-; Stable
20	Non Convertible Debentures	50.00	Credit Analysis & Research Limited	CARE A-; Stable	CARE A-; Stable
21	Non Convertible Debentures	175.00	Credit Analysis & Research Limited	CARE A-; Stable	CARE A-; Stable
22	Non Convertible Debentures	25.00	Credit Analysis & Research Limited	CARE A-; Stable	CARE A-; Stable
23	Non Convertible Debentures	25.00	Credit Analysis & Research Limited	CARE A-; Stable	CARE A-; Stable
24	Non Convertible Debentures	50.00	Credit Analysis & Research Limited	CARE A-; Stable	CARE A-; Stable
25	Non Convertible Debentures	48.75	Credit Analysis & Research Limited	CARE A-; Stable	CARE A-; Stable
26	Non Convertible Debentures	187.50	Credit Analysis & Research Limited	CARE A-; Stable	CARE A-; Stable
27	Non Convertible Debentures	150.00	Credit Analysis & Research Limited	CARE A-; Stable	CARE A-; Stable
28	Non Convertible Debentures	253.75	Credit Analysis & Research Limited	CARE A-; Stable	CARE A-; Stable
29	Preference Share	25.00	Credit Analysis & Research Limited	CARE BBB+ (RPS); Stable	CARE BBB+ (RPS); Stable
30	Securitization	17.34	Credit Analysis & Research Limited	CARE A (SO)	Assigned
31	Securitization	54.54	Credit Analysis & Research Limited	Provisional CARE A (SO)	Assigned
32	Commercial Paper	200.00	Credit Analysis & Research Limited	CARE A1	CARE A1
33	Fund Based -Long Term Bank Facilities	2,800.00	Credit Analysis & Research Limited	CARE A-; Stable	CARE A-; Stable
34	Subordinate Debt	25.00	ICRA Limited	[ICRA]A- (Stable)	[ICRA]A- (Stable)
35	Subordinate Debt	25.00	ICRA Limited	[ICRA]A- (Stable)	[ICRA]A- (Stable)
36	Subordinate Debt	40.00	ICRA Limited	[ICRA]A- (Stable)	[ICRA]A- (Stable)
37	Subordinate Debt	10.00	ICRA Limited	[ICRA]A- (Stable)	[ICRA]A- (Stable)
38	Non Convertible Debentures	25.00	ICRA Limited	[ICRA]A- (Stable)	[ICRA]A- (Stable)
39	Commercial Paper	200.00	ICRA Limited	[ICRA] A1	Revised from [ICRA] A2+
40	Covered Bond	40.00	ICRA Limited	[ICRA]A- (Stable)	[ICRA]A- (Stable)
41	Non Convertible Debentures	150.00	Brickwork Limited	BWR A- / Stable	BWR A- / Stable

(All amounts in ₹ lakhs, unless otherwise stated)

(xvii) Remuneration of directors:-

Particulars	Remuneration		Provident fund and others		Sitting fees	
	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2021	For the year ended March 31, 2020
Mr. H P Singh	136.72	226.54	17.99	65.34	Nil	Nil
Mr. Satvinder Singh	-	-	-	-	5.75	3.55
Mr. Rakesh Sachdeva	-	-	-	-	4.05	2.30
Mr. Sundeep Kumar Mehta	-	-	-	-	7.70	4.00
Mrs. Sangeeta Khorana	-	-	-	-	4.40	2.10
Mr. Goh Colin	-	-	-	-	3.90	1.60
Mr. Sanjay Kumar Bhatia	-	-	-	-	5.50	2.45
Mr. Anil Kumar Kalra	-	-	-	-	4.15	2.35

(xviii) Additional disclosures:-

(a) Provisions and contingencies:-

Break up of 'Provisions and Contingencies shown under the head expenditure in statement of profit and loss	For the year ended March 31, 2021	For the year ended March 31, 2020
Provision for depreciation on investment	-	-
Provision towards NPA	14,067.26	(625.46)
Provision made towards income tax	4,962.74	5,474.97
Other provision and contingencies (with details)		
i) Provision for compensated absences	230.73	146.47
ii) Provision for gratuity	221.65	248.56
Provision for Standard assets	(763.71)	6,019.50

(b) Draw down from reserves:-

There has been no draw down from reserve during the year ended March 31, 2021 (Previous year: ₹ Nil)

(c) Concentration of advances, exposures and NPAs:-

Particulars	As at March 31, 2021	As at March 31, 2020
Concentration of advances		
Total advance to twenty largest borrowers	11,853.40	13,201.50
% of advance to twenty largest borrowers to total advances	2.72%	1.78%
Concentration of exposures		
Total exposure to twenty largest borrowers/customers	19,979.64	15,316.55
% of exposure to twenty largest borrowers/customers to total exposure	3.53%	3.31%
Concentration of NPAs		
Total exposure of top four NPA account	62.06	253.01
% of exposure to top four NPA account	0.01%	0.05%

Interest due but not received on portfolio are not included in portfolio.

(d) Sector-wise NPAs:-

Particulars	As at March 31, 2021	As at March 31, 2020
	Percentage of NPAs to total advance to that sector	
Sector		
1 Agriculture and allied activities	8.48%	2.99%
2 MSME	11.10%	5.51%
3 Corporate borrowers	0.00%	1.25%
4 Services	8.00%	2.99%
5 Unsecured personal loans	0.00%	0.00%
6 Auto loans	0.00%	0.00%
7 Other personal loans	0.00%	0.00%

Interest due but not received on portfolio are not included in portfolio.

(All amounts in ₹ lakhs, unless otherwise stated)

(e) Movement of NPAs:-

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
i) Net NPAs to net advance (%)	4.75%	1.77%
ii) Movement of NPAs (Gross)		
a) Opening balance	15,049.79	17,787.49
b) Addition during the year	45,982.17	8,239.03
c) Reduction/ write off during the year	13,835.59	10,976.73
d) Closing balance	47,196.37	15,049.79
iii) Movement of NPAs (Net)		
a) Opening balance	8,495.72	10,607.95
b) Addition during the year	25,360.86	1,684.97
c) Reduction/ write off during the year	7,281.52	3,797.20
d) Closing balance	26,575.06	8,495.72
iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
a) Opening balance	6,554.07	7,179.54
b) Addition during the year	20,621.31	6,554.06
c) Reduction/ write off during the year	6,554.07	7,179.53
d) Closing balance	20,621.31	6,554.07

Interest due but not received on portfolio are not included in portfolio.

(f) Overseas assets (for those with Joint Ventures and subsidiaries abroad) – Nil

(g) Off-balance sheet SPVs sponsored – N.A.

(h) Customer complaints:-

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
a) Number of complaints pending at the beginning of the year	-	-
b) Number of complaint received during the year	6,101	10,780
c) Number of complaint redressed during the year	6,096	10,780
d) Number of complaint pending at the end of the year	5	-

(i) Instances of fraud:-

Nature of fraud (cash embezzlement by employee)	For the year ended March 31, 2021	For the year ended March 31, 2020
Number of cases	222	155
Amount of fraud	117.47	127.77
Recovery*	15.97	34.64
Amount written off	101.50	93.13

*(includes ₹ 3.30 lakhs recovery at earlier year.)

Nature of fraud (Borrower)	For the year ended March 31, 2021	For the year ended March 31, 2020
Number of cases	1	-
Amount of fraud	120.97	-
Recovery	-	-
Amount written off	120.97	-

(B) Information on Net Interest Margin :-

Quarterly net interest margin

Particulars	For the year ended March 31, 2021			
	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Average lending rate	21.65%	21.87%	21.79%	21.65%
Average effective cost of borrowing*	11.68%	12.07%	11.85%	11.69%

Particulars	For the year ended March 31, 2020			
	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Average lending rate	22.06%	22.31%	22.52%	22.39%
Average effective cost of borrowing*	12.18%	12.42%	12.59%	12.43%

*Represents the average effective cost of borrowings for preceding quarter.

The Company has calculated above average lending rate and effective cost of borrowing as per pricing of credit guidelines prescribed in master direction issued by Reserve Bank of India no. DNBR.PD. 008/03.10.119/2016-17.

(All amounts in ₹ lakhs, unless otherwise stated)

(C) Disclosure as required by Para 18 of Non-Banking Financial Company – systemically important non-deposit taking Company and deposit taking Company (Reserve Bank) Directions, 2016 is as under.

Particulars		Amount Outstanding	Amount Overdue
	Liabilities side:		
1	**Loans and advances availed by the Non-Banking Financial Company inclusive of interest accrued thereon but not paid:**		
	(a) Debentures		
	: Secured	1,71,451.26	-
	: Unsecured	25,946.46	-
	(other than falling within the meaning of Public deposits)		
	(b) Deferred Credits	-	-
	(c) Term Loans	3,88,839.59	-
	(d) Inter-corporate loans and borrowing	-	-
	(e) Commercial Paper	-	-
	(f) Public deposits		
	(g) Other Loans :		
	Other unsecured loans against assets of the Company	-	-
	Secured loans against assets of the Company	151.79	-
	Overdraft facility	10,989.97	-
	Liability against securitized assets	5,501.35	-
	Liability against leased assets	659.72	-
	Preference shares other than those that qualify as equity	2,499.63	-
2	**Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):**		
	(a) In the form of Unsecured debentures		
	(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security		
	(c) Other public deposits		
	Assets side :		**Amount outstanding**
3	**Break-up of Loans and advances including bills receivables (other than those included in (4) below) :**		
	(a) Secured		17,945.54
	(b) Unsecured		5,62,488.63
4	**Break-up of Leased Assets and stock on hire and other assets counting towards**		
	AFC activities		
	(I) Lease assets including lease rentals under sundry debtors :		
	(a) Financial lease		-
	(b) Operating lease		-
	(II) Stock on hire including hire charges under sundry debtors :		
	(a) Assets on hire		-
	(b) Repossessed Assets		-
	(III) Other loans counting towards AFC activities		
	(a) Loans where assets have been repossessed		-
	(b) Loans other than (a) above		-
5	**Break-up of Investments :**		
	Current Investments :		
	1. Quoted :		
	(I) Shares :		
	(a) Equity		-
	(b) Preference		-
	(II) Debentures and Bonds		-
	(III) Units of mutual funds		57.55
	(IV) Government Securities		-
	(V) Others (please specify)		-

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars		Amount Outstanding	Amount Overdue
	2. Unquoted :		
	(I) Shares :		
	(a) Equity		-
	(b) Preference		-
	(II) Debentures and Bonds		-
	(III) Units of mutual funds		-
	(IV) Government Securities		-
	(V) Others :		
	(a) Certificate of Deposit		-
	(b) Commercial Paper		-
	Long Term Investments :		
	1. Quoted :		
	(I) Shares :		
	(a) Equity		
	(b) Preference		-
	(II) Debentures and Bonds		-
	(III) Units of mutual funds		-
	(IV) Government Securities		-
	(V) Others (please specify)		-
	2. Unquoted :		
	(I) Shares :		
	(a) Equity		28,260.24
	(b) Preference		-
	(II) Debentures and Bonds		-
	(III) Units of mutual funds		-
	(IV) Government Securities		0.51
	(V) Others (please specify)		-
	Total		**28,318.30**

6 Borrower group-wise classification of assets financed as in (2) and (3) above:

Category	Particulars			Total
	Secured	Unsecured	Provision	
1. Related Parties				
(a) Subsidiaries	-	4,100.00	7.15	4,092.85
(b) Companies in the same group	-	-	-	-
(c) Other related parties	-	119.23	0.21	119.02
2. Other than related Parties	17,945.54	5,58,269.40	28,930.58	5,47,284.36
Total	**17,945.54**	**5,62,488.63**	**28,937.94**	**5,51,496.23**

7 Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

Category	Market Value/Breakup or fair value or NAV	Book Value (Net of Provision)
1. Related Parties		
(a) Subsidiaries	28,260.24	28,260.24
(b) Companies in the same group	-	-
(c) Other related parties	-	-
2. Other than related Parties	58.06	58.06
Total	**28,318.30**	**28,318.30**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

8 Other information

Particulars	Amount
(I) Gross Non-Performing Assets	47,196.37
(a) Related parties	-
(b) Other than related parties	47,196.37
(II) Net Non-Performing Assets	26,575.06
(a) Related parties	-
(b) Other than related parties	26,575.06

9 The quantitative disclosures as required by RBI circular dated April 17, 2020 for the year ended March 31, 2021 and March 31, 2020;

Particulars	As at March 31, 2021	As at March 31, 2020
Amount in SMA/overdue categories as on February 29, 2020	30,998.53	30,998.53
Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended, in terms of paragraph 2 and 3 of the circular (as of February 29, 2020)	8,471.78	9,901.90
Respective amount where asset classification benefit is extended (as of February 29, 2020)	8,430.19	9,483.82
Provisions made in terms of paragraph 5 of the circular (as per para 4, applicable to entities covered under ind as) (as of March 31, 2021/ March 31, 2020)	3,649.93	2,836.27
Provisions adjusted against slippages in terms of paragraph 6 of the circular	3,649.93	2,836.27
Residual provisions as of March 31, 2021/ March 31, 2020 in terms of paragraph 6 of the circular	-	-

10 During the year the Company has restructured SME loans in accordance with the RBI circular RBI/2020-21/17 DOR.No.BP.BC/4/21.04.048/2020-21 dated August 6, 2020 as presented in below table:

Type of borrower	(A) Number of accounts where resolution plan has been implemented under this window	(B) exposure to accounts mentioned at (A) before implementation of the plan
MSME Borrowers	8	211.15

11 Pursuant to RBI circular RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 04, 2019, Liquidity credit risk disclosures are presented as below:

(i) LCR Disclosure

	Particulars	As at March 31, 2021		As at March 31, 2020	
		Total un-weighted Amount	Total weighted Amount	Total un-weighted Amount	Total weighted Amount
	High Quality Liquid Assests (HQLAs)				
1	Total High Quality Liquid Assests (HQLA)	58,475.44	58,475.44	73,867.18	73,867.18
	Cash Outflows				
2	Deposits (for deposit taking companies)	-	-	-	-
3	Unsecured wholesale funding	109.64	109.64	329.96	329.96
4	Secured wholesale funding	82,781.26	41,390.63	90,972.25	45,486.12
5	Additional requirements, of which	-	-	-	-
i	Outflows related to derivative exposures and other collateral requirements	564.77	564.77	557.87	557.87
ii	Outflows related to loss of funding on debt products	-	-	-	-
iii	Credit and liquidity facilities	-	-	-	-

(All amounts in ₹ lakhs, unless otherwise stated)

6	Other contractual funding obligations	38,413.12	38,413.12	34,245.13	34,245.13
7	Other contingent funding obligations	7,285.06	7,285.06	10,127.54	10,127.54
8	**TOTAL CASH OUTFLOWS**	**1,29,153.85**	**87,763.22**	**1,36,232.75**	**90,746.62**
	Cash Inflows				
9	Secured lending	687.61	687.61	252.82	252.82
10	Inflows from fully performing exposures	89,017.79	74,722.79	78,578.08	78,578.08
11	Other cash inflows	24,353.57	24,353.57	21,910.60	21,910.60
12	**TOTAL CASH INFLOWS**	**1,14,058.97**	**99,763.97**	**1,00,741.50**	**1,00,741.50**
13	**TOTAL HQLA**	**58,475.44**	**58,475.44**	**73,867.18**	**73,867.18**
14	TOTAL NET CASH OUTFLOWS	62,982.71	26,104.73	39,166.92	28,802.50
15	**LIQUIDITY COVERAGE RATIO (%)**	**92.84%**	**224.00%**	**188.60%**	**256.46%**

(ii) Funding Concentration based on significant counterparty

Sr. No.	Number of Significant Counterparties	Amount*	% of Total deposits	% of Total Liabilities
1	Twenty Three	4,81,538.40	N.A.	79.92%

*Accured interest but not due and unamortized transaction costs are included in borrowings.

(iii) Top 20 large deposits

There are no deposits accepted by the company during the year as company is non-deposit taking NBFC.

(iv) Top 10 borrowings

Sr. No.	Lender	Amount*	Ranking	% of total borrowings
1	National Bank for Agriculture and Rural Development	83,661.93	1	13.88%
2	Indian Bank	43,165.64	2	7.16%
3	Blue Orchard Microfinance Fund	35,119.51	3	5.83%
4	Bank of Baroda	31,390.57	4	5.21%
5	AAV Sarl Investments	29,058.53	5	4.82%
6	IDFC FIRST Bank (Formerly known as Capital First Limited)	28,000.11	6	4.65%
7	Standard Chartered Bank	24,980.02	7	4.15%
8	The Hongkong & Shanghai Banking Corporation Limited	20,955.29	8	3.48%
9	Small Industries Development Bank of India	20,711.60	9	3.44%
10	FMO - Entrepreneurial Development Bank	18,681.46	10	3.10%
	Total	**3,35,724.66**		

*Accured interest but not due and unamortized transaction costs are included in borrowings.

(v) Funding Concentration based on significant instrument/product

Sr. No.	Nature of significant instrument/product	Amount*	Liabilities
1	Non-convertible debentures	1,92,172.21	31.89%
2	Term loans	3,60,257.00	59.79%
3	Overdraft facility against term deposits	10,989.97	1.82%
4	External commercial borrowings	26,644.95	4.42%
5	Commercial paper	3,838.25	0.64%
6	Preference shares other than those that qualify as equity	2,499.63	0.41%
7	Liability against securitized assets	5,501.35	0.91%
8	Liability against leased assets	659.72	0.11%
	Total	**6,02,563.08**	**100.00%**

*Accured interest but not due and unamortized transaction costs are included in borrowings.

(All amounts in ₹ lakhs, unless otherwise stated)

(vi) Stock Ratios:

Sr. No.	Particulars	Amount	Total public funds	Total liabilities	Total assets	% of Total public funds	% of Total liabilities	% of Total assets
1	Commercial papers	3,838.25	N.A.	6,38,346.19	7,87,451.42	N.A.	0.60%	0.49%
2	Non-convertible debentures (original maturity of less than one year)	1,499.35	N.A.	6,38,346.19	7,87,451.42	N.A.	0.23%	0.19%
3	Other short-term liabilities (excluding commercial paper)	19,248.83	N.A.	6,38,346.19	7,87,451.42	N.A.	3.02%	2.44%

59. DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MSMED ACT, 2006

Particulars	As at March 31, 2021	As at March 31, 2020
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	223.90	309.09
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.	-	-

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No. 001076N/N500013

Manish Gujral
Partner
Membership Number: 105117

Place : Mumbai
Date : June 14, 2021

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

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

Satvinder Singh
(Director)
DIN: 00332521
Place : Gurugram

Sanjay Kumar Bhatia
(Chairman Audit Committee cum Director)
DIN: 07033027
Place : Dehradun

Vipul Sharma
(Company Secretary & Compliance Officer)
Membership Number: A27737

Rakesh Sachdeva
(Chief Financial Officer)
Place : Gurugram

Place : Gurugram
Date : June 14, 2021

INDEPENDENT AUDITOR'S REPORT

To the Members of Satin Creditcare Network Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

1) We have audited the accompanying consolidated financial statements of **Satin Creditcare Network Limited** ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as listed in Annexure 1, which comprise the Consolidated Balance Sheet as at 31 March 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

Basis for Opinion

3) 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 Consolidated 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 ('the 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 16 of the Other Matter section below is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – COVID 19

4) We draw attention to Note 54 to the accompanying consolidated financial statements, which describes significant uncertainties due to the outbreak of COVID-19 pandemic. The impact of the pandemic on the operations of the Company and its financial position as at 31 March 2021 including the measurement of expected credit losses on the loan assets are significantly dependent on uncertain future economic conditions. Our opinion is not modified in respect of this matter.

Key Audit Matters

5) Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

6) We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Use of information processing system for accounting and financial reporting	
The Group relies upon information processing systems for recording, processing, classifying and presenting the large volume of transactions entered into by the Group. The Group has put in place IT General Controls and automated IT Controls to ensure that the information produced by the Group is reliable. Also, during the current year, the management carried out changes to the IT infrastructure and accounting system to implement moratorium relief extended during the year to the customers. Among other things, the management also uses the information produced by the entity's information processing systems for accounting and the preparation and presentation of the consolidated financial statements. The Holding Company's accounting and financial reporting processes are dependent on automated controls enabled by IT systems which impact key financial accounting and reporting items such as loans, interest income, impairment on loans amongst others. The controls implemented by the Holding Company in its IT environment determine the integrity, accuracy, completeness and validity of data that is processed by the applications and is ultimately used for financial reporting. Since our audit strategy included focus on entity's information processing systems relevant to our audit due to their pervasive impact on the consolidated financial statements, we have determined the use of information processing system for accounting and financial reporting as a key audit matter for the current year audit.	Our key audit procedures on this matter included, but were not limited, to the following: (a) obtained an understanding of the Holding Company's information processing systems, IT General Controls and automated IT controls for applications, databases and operating systems relevant to our audit; (b) Also, obtained an understanding of the changes that were made to the IT applications during the audit period on account of moratorium relief extended to its customers; (c) involved IT specialists (auditor's expert) for performance of the following procedures: (i) tested the IT General Controls around user access management, changes to IT environment and segregation of duties around program maintenance, security administration and over key financial accounting and reporting processes; (ii) tested the Holding Company's periodic review of access rights. We also tested requests of changes to systems for approval and authorization; and (iii) tested the automated controls like interfaces, configurations and information generated by the entity's information processing systems for loans, interest income and other significant financial statement items. (d) obtained written representations from management and those charged with governance on whether IT general controls and automated IT controls are designed and were operating effectively during the period covered by our audit.

Key audit matter	How our audit addressed the key audit matter
Expected Credit Losses on loans and implementation of COVID-19 relief measures	
[Refer Note 3(k) for the accounting policy and Note 43 for the related disclosures]	
As at 31 March 2021, the Holding Company has financial assets (loans) amounting to ₹ 551,496.23 lakh including loans which are carried at fair value through other comprehensive income amounting to ₹ 505,504.25 lakh. As per Ind AS 109- Financial Instruments, the Holding Company is required to recognize allowance for expected credit losses on financial assets. Expected credit loss cannot be measured precisely but can only be estimated through use of statistics. The calculation of expected credit losses is complex and requires an exercise of judgment around both the timing of recognition of impairment provisions and estimation of the amount of provisions required in relation to loss events. The expected credit loss is calculated using the percentage of probability of default (PD), loss given default (LGD) and exposure at default (EAD) for each of the stages of loan portfolio. 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. Significant management judgment and assumptions involved in measuring ECL is required with respect to: • determining the criteria for a significant increase in credit risk • factoring in future economic assumptions • techniques used to determine probability of default, loss given default and exposure at default. These parameters are derived from the Holding Company's internally developed statistical models with the help of management's experts and other historical data. **COVID-19** During the current year, RBI announced various relief measures for the borrowers which were implemented by the Holding Company such as "COVID 19 Regulatory Package- Asset Classification and Provisioning" announced by the RBI on 17 April 2020 and RBI circular on "Asset Classification and Income	Our audit focused on assessing the appropriateness of management's judgment and estimates used in the impairment analysis through the following procedures, but were not limited to the following procedures: a) performed a walkthrough of the impairment loss allowance process and assessed the design effectiveness of controls; b) obtained an understanding of the model adopted by the Holding Company including key inputs and assumptions for calculation of expected credit losses including the impact of COVID 19 on the assumptions and how management calculated the expected credit losses and the appropriateness data on which the calculation is based; c) Obtained the reports of the management's expert and assessed the expert's professional competence, independence and objectivity in developing the ECL model; d) obtained the policy on moratorium of loans approved by the Board of Directors pursuant to the RBI circulars and ensured such policy is in compliant with the requirements of the RBI circular; e) evaluated the appropriateness of the Holding Company's determination of significant increase in credit risk in accordance with the applicable accounting standard considering the impact of COVID-19 on account of benefit extended by the Holding Company to select borrowers and the basis for classification of various exposures into various stages; f) as modeling assumptions and parameters are based on historical data, we assessed whether historical experience was representative of current circumstances and was relevant in view of the recent impairment losses incurred within the portfolios;

Key audit matter	How our audit addressed the key audit matter
Recognition following the expiry of Covid-19 regulatory package" dated 7 April 2021 (collectively referred to as 'the RBI circulars'), and "Resolution Framework for COVID-19 related Stress" (the 'Resolution Framework') dated on 6 August 2020, which have been collectively considered by the management in identification, classification and provisioning of loan assets for impairment. The management has considered the impact of COVID-19 on arriving at the provisions as at the balance sheet date on account of significant increase in credit risk on customers given additional support by the Holding Company which were impacted due to COVID-19. The basis of estimates and assumptions involved in arriving at the provisions during the year were monitored by the Company periodically and significantly depend on future developments in the economy due to COVID-19 including any new relief measures' announcements by the RBI. Considering the significance of the above matter to the consolidated financial statements and since the matter required our significant attention to test the calculation of expected credit losses, we have identified this as a key audit matter for current year audit. We also draw attention to Note 54 of the accompanying consolidated financial statements, regarding uncertainties involved due to outbreak of COVID-19 pandemic with respect to the measurement of expected credit loss on such loan assets which are significantly dependent on uncertain future developments as the same is fundamental to the understanding of the users of consolidated financial statements.	g) tested the design and operating effectiveness of the key controls over completeness and accuracy of the key inputs and assumptions considered for calculation, recording and monitoring of the impairment loss recognized; h) tested the accuracy of inputs through substantive procedures and assessed the reasonableness of the assumptions used; i) developed a point estimate by making reference to the expected credit losses recognized by entities that carry comparable financial assets; j) tested the arithmetical calculation of the expected credit losses; k) assessed the appropriateness and adequacy of the related presentation and disclosures in the accompanying consolidated financial statements in accordance with the applicable accounting standards and related RBI circulars and Resolution Framework; and l) obtained written representations from management and those charged with governance whether they believe significant assumptions used in calculation of expected credit losses are reasonable.

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

7) The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

8) The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true

and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. The respective Board of Directors/management of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

9) In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

10) Those Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

11) 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 consolidated financial statements.

12) As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstance. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit

evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern; and

- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group, to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors. For the other entities included in the financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

13) 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.

14) 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.

15) From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTER

16) We did not audit the financial statements of 3 subsidiaries, whose financial statements reflect total assets of ₹ 46,970.83 lakh and net assets of ₹ 24,555.26 lakh as at 31 March 2021, total revenues of ₹ 11,370.95 lakh and net cash outflows (net) amounting to ₹ 2,631.57 lakh for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries are based solely on the reports of the other auditors.

    Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

17) As required by section 197(16) of the Act, based on our audit and on the consideration of the reports of the other auditors, referred to in paragraph 16, on separate financial statements of the subsidiaries, we report that the Holding Company and its subsidiary companies covered under the Act paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

18) As required by Section 143 (3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries, we report, to the extent applicable, that:

a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief was necessary for the purpose of our audit of the aforesaid consolidated financial statements;

b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors,

c) the consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

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

e) on the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies covered under the Act, none of the directors of the Group companies covered under the Act, are disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act;

f) with respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, and its subsidiary companies, covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'; and

g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries:

i) the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group as detailed in Note 51 to the consolidated financial statements;

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

iii) there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies covered under the Act, during the year ended 31 March 2021; and

iv) the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these consolidated financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.: 001076N/N500013

Manish Gujral
Partner
Membership No. 105117
UDIN: 21105117AAAADL1769

Place: Mumbai
Date: 14 June 2021

ANNEXURE 1

List of entities included in the Statement

1) Taraashna Financial Services Limited (formerly known as Taraashna Services Limited)
2) Satin Housing Finance Limited
3) Satin Finserv Limited

ANNEXURE A

Annexure A to the Independent Auditor's Report of even date to the members of Satin Creditcare Network Limited on the consolidated financial statements for the year ended 31 March 2021

Independent Auditor's Report on the internal financial controls with reference to the Consolidated Financial Statements 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 Consolidated Financial Statements of Satin Creditcare Network Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as at and for the year ended 31 March 2021, we have audited the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies, which are companies covered under the Act, as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2) The respective Board of Directors of the Holding Company and its subsidiary companies, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note) issued by the Institute of Chartered Accountants of India ('the ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of 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.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3) Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, 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 internal financial controls with reference to financial statements 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 internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

5) We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies as aforesaid.

Meaning of Internal Financial Controls with Reference to Financial Statements

6) A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection

of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

8) In our opinion and based on the consideration of the reports of the other auditors on internal financial controls with reference to financial statements of the subsidiary companies, the Holding Company and its subsidiary companies, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matter

9) We did not audit the internal financial controls with reference to financial statements insofar as it relates to 3 subsidiary companies, which are companies covered under the Act, whose financial statements reflect total assets of ₹ 46,970.83 lakh and net assets of ₹ 24,555.26 lakh as at 31 March 2021, total revenues of ₹ 11,370.95 lakh and net cash outflows (net) amounting to ₹ 2,631.57 lakh for the year ended on that date, as considered in the consolidated financial statements. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary companies have been audited by other auditors whose reports have been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company and its subsidiary companies, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary companies is based solely on the reports of the auditors of such companies. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.: 001076N/N500013

Manish Gujral
Partner
Membership No.: 105117
UDIN: 21105117AAAADK6866

Place: Mumbai
Date: 14 June 2021

CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2021

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
Financial Assets			
Cash and cash equivalents	4	1,16,403.35	1,17,698.47
Other bank balances	5	79,429.19	70,417.64
Derivative financial instruments	6	34.13	673.63
Trade receivables	7	1,945.52	1,232.97
Loans	8	5,81,115.60	4,94,111.17
Investments	9	58.06	24,573.21
Other financial assets	10	3,989.48	2,521.89
		7,82,975.33	**7,11,228.98**
Non-financial Assets			
Current tax assets (net)	11	-	3,778.61
Deferred tax assets (net)	12	5,218.78	-
Investment Property	13	693.73	-
Property, plant and equipment	14	8,751.71	5,618.82
Capital work-in-progress	14	364.96	3,413.64
Goodwill		3,370.66	3,370.66
Other intangible assets	15	310.91	405.61
Other non-financial assets	16	2,784.99	2,145.45
		21,495.74	**18,732.79**
TOTAL ASSETS		**8,04,471.07**	**7,29,961.77**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Payables			
Trade payables	17		
(i) total outstanding dues of micro enterprises and small enterprises		10.84	83.62
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1,130.83	848.47
Other payables	18		
(i) total outstanding dues of micro enterprises and small enterprises		223.90	227.71
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1,998.00	1,332.60
Debt securities	19	1,71,003.09	86,386.14
Borrowings (other than debt securities)	20	3,94,702.04	4,11,462.61
Subordinated liabilities	21	52,407.85	56,302.54
Other financial liabilities	22	31,776.33	25,532.33
		6,53,252.88	**5,82,176.02**
Non-financial Liabilities			
Current tax liabilities (net)	23	87.90	-
Provisions	24	1,642.85	1,285.71
Deferred tax liabilities (net)	12	-	727.90
Other non-financial liabilities	25	870.98	903.23
		2,601.73	**2,916.84**
EQUITY			
Equity share capital	26	6,647.12	5,171.27
Other equity	27	1,41,969.34	1,39,697.64
		1,48,616.46	**1,44,868.91**
TOTAL LIABILITIES AND EQUITY		**8,04,471.07**	**7,29,961.77**

Statement of significant accounting policies and other explanatory notes.

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

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No. 001076N/N500013

Manish Gujral
Partner
Membership Number: 105117

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

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

Satvinder Singh
(Director)
DIN: 00332521
Place : Gurugram

Sanjay Kumar Bhatia
(Chairman Audit Committee cum Director)
DIN: 07033027
Place : Dehradun

Vipul Sharma
(Company Secretary & Compliance Officer)
Membership Number: A27737

Rakesh Sachdeva
(Chief Financial Officer)
Place : Gurugram

Place : Mumbai
Date : June 14, 2021

Place : Gurugram
Date : June 14, 2021

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2021

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
I. INCOME			
Revenue from operations			
Interest income	28	1,16,716.44	1,11,000.52
Dividend income	29	-	2.21
Fees and commission income	30	9,555.96	13,778.42
Net gain on fair value changes	31	-	1,437.83
Net gain on derecognition of financial instruments	32	11,191.52	23,608.14
Other operating income	33	105.65	124.42
Total Revenue from operations		**1,37,569.57**	**1,49,951.54**
Other income	34	448.11	391.65
Total Income		**1,38,017.68**	**1,50,343.19**
II. EXPENSES			
Finance costs	35	63,786.71	58,929.39
Net loss on fair value changes	31	617.41	-
Impairment on financial instruments	36	27,902.65	19,180.66
Employee benefit expenses	37	33,732.52	35,134.58
Depreciation and amortization expense	38	1,507.63	1,753.72
Other expenses	39	11,446.15	14,182.20
Total		**1,38,993.07**	**1,29,180.55**
(Loss)/profit before tax		**(975.39)**	**21,162.64**
Tax expense:	40		
Current tax		5,194.10	5,575.17
Deferred tax		(4,771.27)	90.21
Total tax expenses		**422.83**	**5,665.38**
(Loss)/profit after tax		**(1,398.22)**	**15,497.26**
Other comprehensive income			
Items that will not be reclassified to profit and loss			
Re-measurements of the defined benefit plans		(111.96)	126.65
Income tax relating to above items		28.84	(32.91)
	A	**(83.12)**	**93.74**
Items that will be reclassified to profit and loss			
Changes in fair value of loan assets		(4,489.73)	5,771.41
Income tax relating to above item		1,129.99	(1,452.55)
Cash flow hedge reserve		(65.89)	93.37
Income tax relating to above item		16.58	(23.50)
	B	**(3,409.05)**	**4,388.73**
Other comprehensive income	**A+B**	**(3,492.17)**	**4,482.47**
Total comprehensive income		**(4,890.39)**	**19,979.73**
Net profit/(loss) after tax attributable to			
Owners of the holding company		(1,398.22)	15,497.26
Non-controlling interests		-	-
Other comprehensive income attributable to			
Owners of the holding company		(3,492.17)	4,482.47
Non-controlling interests		-	-
Total comprehensive income attributable to			
Owners of the holding company		(4,890.39)	19,979.73
Non-controlling interests		-	-
Earnings per equity share (face value of ₹ 10 per equity share)	41		
Basic (₹)		(2.26)	28.83
Diluted (₹)		(2.26)	28.69

Statement of significant accounting policies and other explanatory notes.

This consolidated Statement of Profit and Loss referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No. 001076N/N500013

Manish Gujral
Partner
Membership Number: 105117

Place : Mumbai
Date : June 14, 2021

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

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

Satvinder Singh
(Director)
DIN: 00332521
Place : Gurugram

Sanjay Kumar Bhatia
(Chairman Audit Committee cum Director)
DIN: 07033027
Place : Dehradun

Vipul Sharma
(Company Secretary & Compliance Officer)
Membership Number: A27737

Rakesh Sachdeva
(Chief Financial Officer)
Place : Gurugram

Place : Gurugram
Date : June 14, 2021

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2021

(All amounts in ₹ lakhs, unless otherwise stated)

	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
A	CASH FLOW FROM OPERATING ACTIVITIES		
	(Loss)/profit before tax	(975.39)	21,162.64
	Adjustments for:		
	Depreciation and amortization	1,106.25	1,147.51
	Depreciation of right-of-use assets	401.38	606.21
	Net gain on derecognition of property, plant and equipment	(10.11)	(2.83)
	Fair value gain on mutual funds	(32.80)	(1,568.59)
	Unrealized (gain)/loss on fair value changes of derivatives and investments	650.21	130.76
	Property, plant and equipment written off	25.08	-
	Impairment on financial instruments	27,902.65	19,180.66
	Dividend income	-	(2.21)
	Gain on sale of loan portfolio through assignment	(11,191.52)	(23,608.14)
	First loss default guarantee expenses	2,285.07	3,089.11
	Share based payment to employees	(78.68)	196.20
	Effective interest rate adjustment for financial instruments	2,180.09	2,104.43
	Interest expense for leasing arrangements	99.40	188.19
	Net gain on termination of leases	(3.15)	(42.44)
	Unrealized exchange fluctuation loss (net)	(381.17)	188.49
	Operating profit before working capital changes	**21,977.31**	**22,769.99**
	Movement in working capital		
	(Increase)/decrease in trade receivables	(712.55)	4.66
	Increase in loans	(1,07,931.20)	(28,570.57)
	(Increase)/decrease in deposits	(9,011.55)	2,927.55
	Increase in other financial assets	(1,741.68)	(994.43)
	Increase in other non-financial assets	(719.69)	(6,733.93)
	Increase in trade and other payables	871.17	1,149.46
	Increase/(decrease) in other financial liabilities	3,958.93	(5,822.98)
	Increase/(decrease) in provisions	245.18	(103.12)
	(Decrease)/increase in other non-financial liabilities	(98.14)	2.95
	Cash used in operating activities post working capital changes	**(93,162.22)**	**(15,370.42)**
	Income taxes paid (net)	(1,327.59)	(7,159.41)
	Net cash used in operating activities (A)	**(94,489.81)**	**(22,529.83)**
B	CASH FLOWS FROM INVESTING ACTIVITIES		
	Payments for property, plant and equipment and capital work-in-progress and intangible assets	(2,003.31)	2,116.53
	Proceeds from sale of property, plant and equipment and intangible assets	32.05	16.47
	Sale of other investments (net)	24,537.24	3,435.38
	Net cash generated from investing activities (B)	**22,565.98**	**5,568.38**

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

(All amounts in ₹ lakhs, unless otherwise stated)

	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
C	**CASH FLOWS FROM FINANCING ACTIVITIES (refer to note (i) below)**		
	Proceeds from issue of share capital and share warrants (including premium and net of share issue expenses)	8,716.62	4,437.67
	Proceeds from debt securities	1,05,857.97	21,413.18
	Repayment of debt securities	(21,542.85)	(32,852.45)
	Proceeds from borrowings other than debt securities	2,46,712.15	3,12,518.42
	Repayment of borrowings other than debt securities	(2,61,983.40)	(2,87,956.35)
	Lease payments	(463.91)	(693.40)
	Proceeds from subordinated liabilities	304.77	9,887.77
	Repayment of subordinated liabilities	(4,169.77)	(2,469.76)
	Net cash generated from financing activities (C)	**73,431.58**	**24,285.08**
	Net increase in cash and cash equivalents (A+B+C)	1,507.75	7,323.63
	Cash and cash equivalents at the beginning of the year (refer to note ii below)	1,03,905.30	96,581.67
	Cash and cash equivalents at the end of the year	**1,05,413.05**	**1,03,905.30**

i) Refer to note 21 for reconciliation of liabilities arising from financing activities.

ii) Refer to note 5 for restricted cash and cash equivalent.

Notes:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Cash and cash equivalents (as per note 4 to the financial statements)	1,16,403.35	1,17,698.47
Less: Overdraft facility against term deposits (as per note 20 to the financial statements)	(10,990.30)	(13,793.17)
	1,05,413.05	**1,03,905.30**

Statement of significant accounting policies and other explanatory notes.

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

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No. 001076N/N500013

Manish Gujral
Partner
Membership Number: 105117

Place : Mumbai
Date : June 14, 2021

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

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

Satvinder Singh
(Director)
DIN: 00332521
Place : Gurugram

Sanjay Kumar Bhatia
(Chairman Audit Committee cum Director)
DIN: 07033027
Place : Dehradun

Vipul Sharma
(Company Secretary & Compliance Officer)
Membership Number: A27737

Rakesh Sachdeva
(Chief Financial Officer)
Place : Gurugram

Place : Gurugram
Date : June 14, 2021

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2021

(All amounts in ₹ lakhs, unless otherwise stated)

A. Equity share capital (Refer note 26)

Particulars	Balance as at April 1, 2019	Change during the year	Balance as at March 31, 2020	Change during the year	Balance as at March 31, 2021
Equity share capital	4,853.07	318.20	5,171.27	1,475.85	6,647.12

B. Other equity (Refer note 27)

Particulars	Equity component of compound financial instruments	Reserves and Surplus						Equity instruments through other comprehensive income	Change in fair value of loan assets through other comprehensive income	Money received against share warrants	Cash flow hedge reserve	Total attributable to equity holders of the parent	Total non-controlling interest	Total
		Statutory reserve fund	Securities premium	General reserve	Capital redemption reserve	Share options outstanding account	Retained earnings							
Balance as at April 1, 2019	**34.96**	**6,841.05**	**83,342.21**	**29.94**	**277.00**	**476.63**	**15,044.45**	**(5.00)**	**2,550.33**	**1,500.00**	**-**	**1,10,091.57**	**-**	**1,10,091.57**
Profit for the year	-	-	-	-	-	-	15,497.26	-	-	-	-	15,497.26	-	15,497.26
Other comprehensive income (net of tax)	-	-	-	-	-	-	93.74	-	4,318.86	-	69.87	4,482.47	-	4,482.47
Issue of equity shares	-	-	11,039.74	-	-	-	-	-	-	(1,500.00)	-	9,539.74	-	9,539.74
Transfer to statutory reserves	-	3,138.28	-	-	-	-	(3,138.28)	-	-	-	-	-	-	-
Conversion of optionally convertible redeemable preference shares	(34.96)	-	34.96	-	-	-	-	-	-	-	-	-	-	-
Share issue expense of subsidiary	-	-	-	-	-	-	(109.59)	-	-	-	-	(109.59)	-	(109.59)
Share based payment to employees	-	-	131.83	-	-	64.36	-	-	-	-	-	196.19	-	196.19
Balance as at March 31, 2020	**-**	**9,979.33**	**94,548.74**	**29.94**	**277.00**	**540.99**	**27,387.58**	**(5.00)**	**6,869.19**	**-**	**69.87**	**1,39,697.64**	**-**	**1,39,697.64**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Equity component of compound financial instruments	Reserves and Surplus						Equity instruments through other comprehensive income	Change in fair value of loan assets through other comprehensive income	Money received against share warrants	Cash flow hedge reserve	Total attributable to equity holders of the parent	Total non-controlling interest	Total
		Statutory reserve fund	Securities premium	General reserve	Capital redemption reserve	Share options outstanding account	Retained earnings							
(Loss) / Profit for the year	-	-	-	-	-	-	(1,398.22)	-	-	-	-	(1,398.22)	-	(1,398.22)
Other comprehensive income (net of tax)	-	-	-	-	-	-	(83.12)	-	(3,359.74)	-	(49.31)	(3,492.17)	-	(3,492.17)
Issue of equity shares (net of share issue expenses)	-	-	7,260.80	-	-	-	-	-	-	-	-	7,260.80	-	7,260.80
Transfer to statutory reserves	-	122.76	-	-	-	-	(122.76)	-	-	-	-	-	-	-
Transfer from share options outstanding account	-	-	-	-	-	(244.54)	244.54	-	-	-	-	-	-	-
Share issue expense of subsidiary	-	-	-	-	-	-	(20.03)	-	-	-	-	(20.03)	-	(20.03)
Acquisition of non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share based payment to employees	-	-	-	-	-	(78.68)	-	-	-	-	-	(78.68)	-	(78.68)
Balance as at March 31, 2021	**-**	**10,102.09**	**1,01,809.54**	**29.94**	**277.00**	**217.77**	**26,007.99**	**(5.00)**	**3,509.45**	**-**	**20.56**	**1,41,969.34**	**-**	**1,41,969.34**

Statement of significant accounting policies and other explanatory notes.

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

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No. 001076N/N500013

Manish Gujral
Partner
Membership Number: 105117

Place : Mumbai
Date : June 14, 2021

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

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

Satvinder Singh
(Director)
DIN: 00332521
Place : Gurugram

Sanjay Kumar Bhatia
(Chairman Audit Committee cum Director)
DIN: 07033027
Place : Dehradun

Vipul Sharma
(Company Secretary & Compliance Officer)
Membership Number: A27737

Rakesh Sachdeva
(Chief Financial Officer)
Place : Gurugram

Place : Gurugram
Date : June 14, 2021

1. GROUP OVERVIEW

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

The Holding Company owns 100% equity shares of Taraashna Financial Services Limited ("TFSL"). TFSL is engaged in the Business Correspondent ("BC") activity with various banks/NBFC's.

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

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

2. A. BASIS OF PREPARATION

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

These 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 Group has uniformly applied the accounting policies for all the periods presented in this financial statements.

The financial statements for the year ended March 31, 2021 were authorized and approved for issue by the Board of Directors on June 14, 2021.

(ii) Historical cost convention

The financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India. Further, the financial statements have been prepared on a historical cost basis, except for fair value through other comprehensive income (FVOCI) instruments, derivative financial instruments, and financial assets and liabilities designated at fair value through profit or loss (FVTPL), all of which have been measured at fair value. Further the carrying values of recognized assets and liabilities that are hedged items in fair value hedges, and otherwise carried at amortized cost, are adjusted to record changes in fair value attributable to the risks that are being hedged.

(iii) Going Concern

Management is of the view that having regard to the projections of the business prospects, Group shall be able to continue as a going concern. Accordingly, management considers it appropriate to prepare these financials statements on a going concern basis.

B. Basis of consolidation

The consolidated financial statements has comprised financial statements of the Company and its subsidiaries, subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. The Group can have power over the investee even if it owns less than majority voting rights i.e. rights arising from other contractual arrangements. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. Statement of profit and loss (including other comprehensive income ('OCI')) of subsidiaries acquired or disposed of during the period are recognized from the effective date of acquisition, or up to the effective date of disposal, as applicable.

The Group combines the financial statements of the Holding Company and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's statement of profit and loss and net assets that are not held by the Group. Statement of profit and loss balance (including other comprehensive income ('OCI')) is attributed to the equity holders of the Holding Company and to the non-controlling interest basis the respective ownership interests and such balance is attributed even if this results in controlling interests having a deficit balance.

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. Such a change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognized within equity.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Corporation's accounting policies. All intra-group assets, liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full-on consolidation.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared using the significant accounting policies and measurement bases summarized as below. These policies are applied consistently for all the periods presented in the financial statements.

a) Property, plant and equipment

Recognition and initial measurement

Property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance costs are recognized in statement of profit and loss.

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

Property, plant and equipment are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation on property, plant and equipment is provided on the written down value method over the useful life of the assets as prescribed under Part 'C' of Schedule II of the Companies Act, 2013.

Asset class	Useful life
Building	60 years
Electrical Equipment	10-25 years
Office equipment	5 years
Computer equipment	3-6 years
Furniture and fixtures	10 years
Vehicles	8-10 years

The Group, based on technical assessment made by technical expert and management estimate, depreciates the solar plant and fire plant under the head Electrical Equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

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 recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in the statement of profit and loss, when the asset is de-recognized.

Capital work-in-progress

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

b) Investment property

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognized in profit or loss as incurred.

The Group depreciates building component of investment property over 60 years from the date of original purchase.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer.

Investment properties are derecognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of de-recognition.

c) Intangible assets

Recognition and initial measurement

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

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

Intangible assets are amortized over a period of 3-5 years from the date when the assets are available for use. The estimated useful life (amortization 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 amortization period is revised to reflect the changed pattern, if any.

d) Intangible assets under development

Intangible assets under development represent expenditure incurred in respect of intangible assets under development and are carried at cost. Cost includes development cost, borrowing costs and other direct expenditure necessary to create, produce and prepare the asset to be capable of operating in the manner intended by management. These are recognized as assets when the Group can demonstrate following recognition requirements:

- The development costs can be measured reliably
- The project is technically and commercially feasible
- The Group intends to and has sufficient resources to complete the project
- The Group has the ability to use or sell such intangible asset
- The asset will generate probable future economic benefits.

amortization of the asset begins when development is complete and the asset is available for use.

e) Revenue recognition

Interest income on loans

The Group recognizes interest income using Effective Interest Rate (EIR) on all financial assets subsequently measured at amortized cost or fair value through other comprehensive income (FVOCI). EIR is calculated by considering any fees and all incremental costs that are directly attributable to acquisition of a financial asset and it represents a rate that exactly discounts estimated future cash payments/receipts through the expected life of the financial asset to the gross carrying amount of a financial asset or to the amortized cost of a financial liability.

The Group recognizes interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. In case of credit-impaired financial assets regarded as 'Stage 3', the Group recognizes interest income on the net amortized cost of financial assets at EIR. If financial asset is no longer credit-impaired Group reverts to calculating interest income on a gross basis.

Additional interest/overdue interest/penal charges are recognized only when it is reasonably certain that the ultimate collection will be made.

Income from assignment transactions

Income from assignment transactions i.e. present value of excess interest spread is recognized when the related loan assets are de-recognized. Interest income is also recognized on carrying value of assets over the remaining period of such assets.

Commission income

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

Dividend income

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

Miscellaneous income

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

f) Borrowing costs

Borrowing costs consist of interest and other cost that the Group incurred in connection with the borrowing of funds. Borrowing costs charged to the Statement of Profit and Loss on the basis of effective interest rate method.

g) Taxation

I. Current tax: Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, in accordance with the Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS) prescribed therein. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current tax relating to items recognized outside profit or loss is recognized in correlation to the underlying transaction either in OCI or directly in other equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

II. Deferred Tax: Deferred tax is provided using the Balance Sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for deductible temporary differences to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets, if any, are reassessed at each reporting date and are recognized 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 realized 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 recognized outside profit or loss is recognized either in OCI or in other equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority. Tax expense recognized in Statement of Profit and Loss comprises the sum of deferred tax and current tax except to the extent it recognized in other comprehensive income or directly in equity.

Minimum alternate tax ('MAT') credit entitlement is recognized 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 recognized as an asset, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT credit entitlement. This is reviewed at each balance sheet date and the carrying amount of MAT credit entitlement is written down to the extent it is not reasonably certain that normal income tax will be paid during the specified period.

h) Employee benefits

Short-term employee benefits

Short-term employee benefits including salaries, short term compensated absences (such as a paid annual leave) where the absences are expected to occur within twelve months after the end of the period in which the employees render the related service, profit sharing and bonuses payable within twelve months after the end of the period in which the employees render the related services and non-monetary benefits for current employees are estimated and measured on an undiscounted basis.

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

Defined contribution plans

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

Defined benefit plans

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

Other long-term employee benefits

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

i) Share based payments

The Holding Company has formulated an Employees Stock Option Schemes to be administered through a Trust. The stock options granted to employees pursuant to the Holding Company's Stock Options Schemes, are measured at the fair value of the options at the grant date. The fair value of options granted under Employee Stock Option Plan is recognized as an employee benefits expense with a corresponding increase in other equity. The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the Holding Company revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognizes the impact of the revision to original estimates, if any, in Statement of Profit and Loss, with a corresponding adjustment to equity.

j) Impairment of non-financial assets

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. Recoverable amount is higher of an asset's net selling price and its value in use. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss. If at the reporting date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

Compensation for impairment

Compensation from third parties for items of property, plant and equipment that were impaired, lost or given up are recognized in statement of profit and loss when the compensation becomes receivable.

Financial Guarantees

Financial guarantees are initially recognized at fair value. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization.

The premium received (if any) is recognized as income on a straight-line basis over the life of the guarantee.

k) Impairment of financial assets

The Group is recording the allowance for expected credit losses for all loans at amortized cost and FVOCI and other debt financial assets not held at FVTPL

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL). The Group's policies for determining if there has been a significant increase in credit risk.

Loan assets

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

- Stage 1 (0-30 days) includes loan assets that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date.
- Stage 2 (31-90 days) includes loan assets that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment.
- Stage 3 (more than 90 days) includes loan assets that have objective evidence of impairment at the reporting date.

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

Probability of Default (PD) - The PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months (12 months PD), or over the remaining lifetime (Lifetime PD) of the obligation.

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

Exposure at Default (EAD) – EAD is based on the amounts the Group expects to be owed at the time of default.

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

Trade receivables

In respect of trade receivables, the Group applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of trade receivables.

Other financial assets

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

When making this assessment, the Group uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Group compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Group assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

Write-offs

Financial assets are written off either partially or in their entirety to the extent that there is no realistic prospect of recovery. Any subsequent recoveries are credited to impairment on financial instrument on statement of profit and loss.

l) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand (including impress), demand deposits and short-term highly liquid investments (certificate of deposits and commercial paper) that are readily convertible into known amount of cash and which are subject to an insignificant risk of changes in value. The Group has netted off the balance of bank overdraft with cash and cash equivalents for cash flow statement as they are considered an integral part of the Group's cash management.

m) Equity investment in subsidiaries

Investments representing equity interest in subsidiaries are accounted for at cost in accordance with Ind AS 27 Separate Financial Statements.

n) Provisions, contingent assets and contingent liabilities

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

Contingent liability is disclosed for:

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

Contingent assets are not recognized but disclosed where an inflow of economic benefits is probable.

o) Leases

Group as a lessee

A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Group assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract the Group has the right to direct the use of the identified asset throughout the period of use.

The Group assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

At lease commencement date, the Group recognizes a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term.

Determining the lease term of contracts with renewal and termination options where Group is lessee - The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination.

Group as lessor:

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income.

Classification of leases – The Group enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

p) Financial instruments

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition and measurement

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

Non-derivative financial assets

Subsequent measurement

i. **Financial assets carried at amortized cost –** a financial asset is measured at the amortized 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 amortized cost using the effective interest rate (EIR) method. Amortized 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 amortization is included in interest income in the Statement of Profit and Loss.

ii. **Financial assets (debt instruments e.g. loans) are measured at FVOCI when both of the following conditions are met: –** a financial asset is measured at the FVOCI if both the following conditions are met:

- The instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets
- The contractual terms of the financial asset meet the SPPI test

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognized in OCI. Interest income are recognized in profit or loss in the same manner as for financial assets measured at amortized cost.

iii. **Investments in equity instruments –** Investments in equity instruments which are held for trading are classified as at fair value through profit or loss (FVTPL). For all other equity instruments, the Group makes an irrevocable choice upon initial recognition, on an instrument by instrument basis, to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL). Amounts presented in other comprehensive income are not subsequently transferred to profit or loss. However, the Group transfers the cumulative gain or loss within equity. Dividends on such investments are recognized in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

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

v. **Financial assets measured at FVPL –** FVPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL, with all changes recognized in the P&L.

De-recognition of financial assets

Financial assets (or where applicable, a part of financial asset or part of a group of similar financial assets) are de-recognized (i.e. removed from the Group's balance sheet) when the contractual rights to receive the cash flows from the financial asset have expired, or when the financial asset and substantially all the risks and rewards are transferred. Further, if the Group has not retained control, it shall also de-recognize the financial asset and recognize 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 amortized cost using the effective interest method.

De-recognition of financial liabilities

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

First loss default guarantee

First loss default guarantee contracts are contracts that require the Group to make specified payments to reimburse the bank for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of an agreement. Such financial guarantees are given to bank, for whom the Group acts as 'Business Correspondent'.

These contracts are initially measured at fair value and subsequently measure at higher of:

- The amount of loss allowance (calculated as described in policy for impairment of financial assets)
- Maximum amount payable as on the reporting date to the bank which is based on the amount of loans overdue for more than 75 days in respect to agreements with banks.

Further, the maximum liability is restricted to the cash outflow agreed in the agreement.

Compound financial instruments

Optionally convertible instruments are separated into liability and equity components based on the terms of the contract. On issuance of the said instruments, the liability component is arrived at by discounting the gross sum (including redemption premium, if any) at a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortized cost until it is extinguished on conversion or redemption. The remainder of the proceeds is recognized as equity component of compound financial instrument. This is recognized and included in shareholders' equity, net of income tax effects, and not subsequently re-measured.

Offsetting of financial instruments

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

Derivative contracts

The Group enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit and loss using mark to market information.

Hedge Accounting

The Group makes use of derivative instruments to manage exposures to interest rate and foreign currency.

In order to manage particular risks, the Group applies hedge accounting for transactions that meet specified criteria.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Group's risk management objective and strategy for undertaking hedge, the hedging / economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the Group would assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an on-going basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the criteria for hedge accounting are accounted for, as described below:

Cash Flow Hedges

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognized asset or liability (such as all or some future interest payments on variable rate debt) or a highly probable forecast transaction and could affect profit or loss.

For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognized directly in OCI within equity (cash flow hedge reserve). The ineffective portion of the gain or loss on the hedging instrument is recognized immediately as Finance Cost in the statement of profit and loss.

When the hedged cash flow affects the statement of profit and loss, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the statement of profit and loss.

When a hedging instrument expires, is sold, terminated, exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss that has been recognized in OCI at that time remains in OCI and is recognized when the hedged forecast transaction is ultimately recognized in the statement of profit and loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in OCI is immediately transferred to the statement of profit and loss.

Fair value measurement

The Group measures financial instruments at fair value at each balance sheet date using valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

a) In the principal market for the asset or liability, or

b) In the absence of a principal market, in the most advantageous market for the asset or liability.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured are categorized with fair value hierarchy into Level I, Level II and Level III based on level of input.

q) Earnings per share

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

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

r) Segment reporting

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

s) Foreign currency

Functional and presentation currency

Items included in the financial statement of the Group are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements have been prepared and presented in Indian Rupees (₹), which is the Group's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency, by applying the exchange rates on the foreign currency amounts at the date of the transaction. Foreign currency monetary items outstanding at the balance sheet date are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the Statement of Profit and Loss in the year in which they arise.

t) Government grants

Grants and subsidies from the government are recognized when there is reasonable assurance that (i) the Group will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

Grant or subsidy relates to revenue, it is recognized as income on a systematic basis in profit or loss over the periods necessary to match them with the related costs, which they are intended to compensate.

u) Significant management judgment in applying accounting policies and estimation uncertainty

The preparation of the Group's financial statements requires management to make judgments, 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 judgments

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

Business model assessment - The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgment reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortized cost that are derecognized prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group 's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and accordingly prospective change to the classification of those assets are made.

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

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

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

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

Significant estimates

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

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

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

v) Statement of Cash Flows

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method adjusting the net profit for the effects of:

I. Changes during the period in operating receivables and payables transactions of a non-cash nature;

II. Non-cash items such as depreciation, provisions, deferred taxes, unrealized foreign currency gains and losses; and

III. All other items for which the cash effects are investing or financing cash flows.

(All amounts in ₹ lakhs, unless otherwise stated)

4. CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2021	As at March 31, 2020
Cash on hand	5,004.71	5,359.21
Balances with banks and financial institutions		
- Balance with banks in current accounts	56,503.50	55,276.38
- Deposits for original maturity of less than 3 months	53,852.06	56,019.75
- Balance with banks and financial institutions to the extent held as margin money deposits against borrowings and guarantees	1,043.08	1,043.13
Total	**1,16,403.35**	**1,17,698.47**

5. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2021	As at March 31, 2020
Deposits for remaining maturity of more than 3 months and upto 12 months	8,770.88	1,126.17
Deposits with remaining maturity more than 12 months	-	280.97
Balance with banks and financial institutions to the extent held as margin money deposits against borrowings and guarantees	70,658.31	69,010.50
Total	**79,429.19**	**70,417.64**

The amount under lien as security against term loan and overdraft facility availed, assets securitized, first loss default guarantee are as follows (included above in note 4 and 5):-

Particulars	As at March 31, 2021	As at March 31, 2020
Term loans	25,043.62	21,139.44
Overdraft facilities	38,434.12	41,181.12
Securitizations	748.16	718.34
Derivatives	564.77	530.45
Bank guarantee against rights issue	61.98	-
Security against first loss default guarantee	6,846.35	6,481.96
Security against facilities	2.39	2.32
Total	**71,701.39**	**70,053.63**

6. DERIVATIVE FINANCIAL INSTRUMENTS

Particulars	As at March 31, 2021		As at March 31, 2020	
	Notional amounts (₹)	Fair value (₹)	Notional amounts (₹)	Fair value (₹)
Currency and interest swap (refer to note 53)	27,089.80	34.13	21,227.46	673.63
	27,089.80	**34.13**	**21,227.46**	**673.63**
Included in above are derivative held for risk management purpose as follows:				
Derivative designated as hedge:				
Cash flow hedge:				
Currency and interest swap	-	-	7,086.27	626.34
Undesignated derivatives	27,089.80	34.13	14,141.19	47.29
Total of derivative financial instruments	**27,089.80**	**34.13**	**21,227.46**	**673.63**

The Holding Company enters into derivative contracts for risk management purposes. Derivatives held for risk management purposes include hedges that either meet the hedge accounting requirements or hedges that are economic hedges, the Holding Company had elected to apply hedge accounting for one of the derivatives in previous year. During the year ended March 31, 2021, Hedge accounting has been discountinued on account of ineffectiveness.

The table above represents the fair value of derivatives financial instruments recorded as assets together with the notional amounts.

The notional amounts indicates the value of transaction outstanding at the year end and are not indicative of either the market risk or credit risk.

(All amounts in ₹ lakhs, unless otherwise stated)

The Holding Company is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are foreign currency risk and interest rate risk. The Holding Company's risk management strategy and how it is applied to manage risk are explained in Note 53 and below.

Derivatives designated as hedging instruments

Cash flow hedges - Foreign currency risk

The Holding Company is exposed to foreign currency risk arising from its fixed rate foreign currency borrowing amounting to US $ 9.4 million. Interest on the borrowing is payable at a fixed rate of 5.93% per annum (on semi-annual basis starting from February 5, 2020) and the principal amount is repayable on August 5, 2022. The Holding Company economically hedged the foreign currency risk arising from the debt with a 'receive fixed pay fixed' cross-currency interest rate swap ('swap') on July 24, 2019. The notional amount of swap is ₹ 6,487.41 lakhs. The swap contract converts the cash outflows of the foreign currency fixed rate borrowing of US $ 9.4 million to cash outflows in INR with a notional amount of ₹ 6,487.41 lakhs and fixed interest of 11.18% per annum.

There is an economic relationship between the hedged item and the hedging instrument as the terms of the cross currency swap contract match that of the foreign currency borrowing (notional amount, interest payment dates, principal repayment date etc.). The Holding Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the cross currency swap are identical to the hedged risk components. To test the hedge effectiveness, the Holding Company uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks. The hedge ineffectiveness may arise if there is a change in the credit risk of the Holding Company or the counterparty.

Off-setting

The Holding Company does not have derivative financial assets and financial liabilities which are subject to master netting arrangements. Master netting arrangements are those arrangements wherein in the case of insolvency, derivative financial assets and financial liabilities will be settled on a net basis.

7. TRADE RECEIVABLES (AT AMORTIZED COST)

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured		
Considered good - unsecured	1,945.52	1,232.97
	1,945.52	1,232.97
Less: Impairment loss allowance	-	-
Total	**1,945.52**	**1,232.97**

The Group does not have any receivables which are either credit impaired or where there is significant increase in credit risk.

8. LOANS

Particulars	As at March 31, 2021		As at March 31, 2020	
	At fair value through other comprehensive income	At amortized cost	At fair value through other comprehensive income	At amortized cost
Portfolio loans	5,05,504.25	41,891.98	4,20,819.04	48,620.06
Housing and other loans	-	33,719.37	-	24,672.07
	5,05,504.25	**75,611.35**	**4,20,819.04**	**73,292.13**
Portfolio loans				
Secured	-	16,950.41	-	8,707.81
Unsecured	5,05,504.25	24,941.57	4,20,819.04	39,912.25
Housing and other loans				
Secured	-	28,470.32	-	21,112.00
Unsecured	-	5,249.05	-	3,560.07
	5,05,504.25	**75,611.35**	**4,20,819.04**	**73,292.13**
Total loans		**5,81,115.60**		**4,94,111.17**

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Secured by property, plant and equipment including land and building	44,257.23	24,463.05
(ii) Secured by book debts, inventories, margin money and other working capital items	1,163.50	5,356.76
(iii) Unsecured	5,35,694.87	4,64,291.36
Total	**5,81,115.60**	**4,94,111.17**
Loans in India		
(i) Public sector	-	-
(ii) Others	5,81,115.60	4,94,111.17
Total	**5,81,115.60**	**4,94,111.17**

9. INVESTMENTS

Particulars	As at March 31, 2021		As at March 31, 2020	
	At fair value Through profit and loss	Total	At fair value Through profit and loss	Total
Mutual funds				
294,091.70 (March 31, 2020 : 294,091.70) units in Union Dynamic Bond Fund	57.55	57.55	54.23	54.23
Government securities				
500 (March 31, 2020 : 500), Government of India, Inscribed stock having face value ₹ 100 each	0.51	0.51	0.51	0.51
Commercial paper				
Nil (March 31, 2020 : 2,500) units in HDFC Limited	-	-	12,202.18	12,202.18
Nil (March 31, 2020 : 2,500) units in Bajaj Finance Limited	-	-	12,316.29	12,316.29
Total	**58.06**	**58.06**	**24,573.21**	**24,573.21**
(i) Investments in India	58.06	58.06	24,573.21	24,573.21
(ii) Investments outside India	-	-	-	-
Total	**58.06**	**58.06**	**24,573.21**	**24,573.21**

Investment designated at fair value through profit and loss includes commercial papers. The Group has not entered in to any credit derivative to mitigate the credit risk (if any).

10. OTHER FINANCIAL ASSETS

Particulars	As at March 31, 2021	As at March 31, 2020
Security deposits	406.30	419.70
Staff advances	206.93	248.18
Insurance recoverable	738.53	705.37
Other recoverable	2,033.18	804.32
Unbilled revenue	610.97	512.86
	3,995.91	**2,690.43**
Less: Impairment loss allowance	(6.43)	(168.54)
Total	**3,989.48**	**2,521.89**

(All amounts in ₹ lakhs, unless otherwise stated)

11. CURRENT TAX ASSETS (NET)

Particulars	As at March 31, 2021	As at March 31, 2020
Advance income tax (net)	-	3,778.61
Total	**-**	**3,778.61**

12. DEFERRED TAX ASSETS/(LIABILITIES) (NET)

Particulars	As at March 31, 2021	As at March 31, 2020
(A) Deferred tax assets		
Provision for employee benefits	379.17	282.70
Difference in written down value as per Companies Act and Income Tax Act	243.78	260.86
Unabsorbed business losses and depreciation	26.08	28.73
Financial assets measured at amortized cost	24.12	8.26
Impairment loss allowance	8,153.72	4,370.48
Minimum alternate tax credit entitlement	130.49	88.22
Liability against leases	166.04	226.62
Others	22.85	2.30
	9,146.25	**5,268.17**
(B) Deferred tax liabilities		
Financial liabilities measured at amortized cost	23.40	39.38
Fair valuation of financial instruments through profit and loss	-	2.70
Fair valuation of loan assets through other comprehensive income	1,309.21	2,439.19
Cash flow hedge reserve	-	23.50
Special reserve u/s 36 (i) (viii) under Income Tax Act	15.06	-
Right of use assets	146.35	213.88
Deferment of excess interest spread	2,433.45	3,277.42
Total deferred tax liabilities	**3,927.47**	**5,996.07**
Net deferred tax assets/(liabilities)	**5,218.78**	**(727.90)**

(i) Movement in deferred tax assets/(liabilities) (net)

Particulars	As at March 31, 2020	(Charged)/ credited to statement of profit and loss	(Charged)/ credited to other comprehensive income	As at March 31, 2021
Assets				
Provision for employee benefits	282.70	67.63	28.84	379.17
Difference in written down value as per Companies Act and Income Tax Act	260.86	(17.08)	-	243.78
Unabsorbed business losses and depreciation	28.73	(2.65)	-	26.08
Financial assets measured at amortized cost	8.26	15.86	-	24.12
Impairment loss allowance and first loss default guarantee	4,370.48	3,783.24	-	8,153.72
Minimum alternate tax credit entitlement*	88.22	42.27	-	130.49
Liability against leases	226.62	(60.58)	-	166.04
Others	2.30	20.55	-	22.85
Liabilities				
Difference in written down value as per Companies Act and Income Tax Act	-	-	-	-
Financial liabilities measured at amortized cost	39.38	(15.98)	-	23.40
Fair valuation of financial instruments through profit and loss	2.70	(2.70)	-	-
Fair valuation of loan assets through other comprehensive income	2,439.19	0.01	(1,129.99)	1,309.21
Cash flow hedge reserve	23.50	(6.92)	(16.58)	-
Special reserve u/s 36 (i) (viii) under Income Tax Act	-	15.06	-	15.06
Right of use assets	213.88	(67.53)	-	146.35
Deferment of excess interest spread	3,277.42	(843.97)	-	2,433.45
Total	**(727.90)**	**4,771.27**	**1,175.41**	**5,218.78**

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at April 1, 2019	(Charged)/ credited to statement of profit and loss	(Charged)/ credited to other comprehensive income	As at March 31, 2020
Assets				
Provision for employee benefits	521.88	(206.27)	(32.91)	282.70
Difference in written down value as per Companies Act and Income Tax Act	322.00	(61.14)	-	260.86
Unabsorbed business losses and depreciation	51.49	(22.76)	-	28.73
Financial assets measured at amortized cost	119.88	(111.62)	-	8.26
Impairment loss allowance and first loss default guarantee	3,744.43	626.05	-	4,370.48
Minimum alternate tax credit entitlement*	145.24	(57.02)	-	88.22
Liability against leases	-	226.62	-	226.62
Others	7.10	(4.80)	-	2.30
Liabilities				
Difference in written down value as per Companies Act and Income Tax Act	1.28	(1.28)	-	-
Financial liabilities measured at amortized cost	130.30	(90.92)	-	39.38
Fair valuation of financial instruments through profit and loss	0.62	2.08	-	2.70
Fair valuation of loan assets through other comprehensive income	1,369.85	(377.21)	1,446.55	2,439.19
Cash flow hedge reserve	-	-	23.50	23.50
Right of use assets	-	213.88	-	213.88
Deferment of excess interest spread	2,544.70	732.72	-	3,277.42
Total	**865.27**	**(90.21)**	**(1,502.96)**	**(727.90)**

* Minimum alternate tax credit pertains to financial year ended March 31, 2021 having expiry financial year ended March 31, 2034.

13. INVESTMENT PROPERTY

Particulars	As at March 31, 2021	As at March 31, 2020
A. Reconciliation of carrying amount (Cost or deemed cost)		
Opening balance	-	-
Additions during the year	729.24	-
Total	**729.24**	**-**
Accumulated depreciation		
Opening balance	-	-
Additions during the year	35.51	-
Total	**35.51**	**-**
Carrying amounts (Balance at date)	**693.73**	**-**
B. Amounts recognized in Statement of profit and loss for investment property		
Rental income	17.10	-
Less: Depreciation expense	35.51	-
Loss from investment property	**(18.41)**	**-**
C. Measurement of fair value		
Investment property	789.06	-
	789.06	**-**

The Holding Company's investment properties consist of two residential properties in India. As at March 31, 2021, the fair values of the properties are ₹ 789.06 lakhs. These valuations are based on valuations performed by an independent valuer. Valuation techniques used by the valuer is fair market value.

The Holding Company has no restrictions on the realizability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

(All amounts in ₹ lakhs, unless otherwise stated)

14. PROPERTY, PLANT AND EQUIPMENT

Gross Block	Freehold land	Buildings (refer note (i))	Right of use	Computer equipment	Electric equipement	Office equipment	Furniture & fixtures	"Vehicles (refer note (iii))"	Total	Capital work in progress
Balance as at April 1, 2019	**1,518.37**	**1,587.32**	**-**	**2,161.36**	**-**	**597.39**	**1,318.22**	**200.34**	**7,383.00**	**1,614.29**
Adjustment on transition to Ind AS 116	-	-	1,822.53	-	-	-	-	-	1,822.53	-
Additions	-	-	451.01	790.82	-	148.31	222.84	65.43	1,678.41	1,799.35
Disposals	-	-	(677.47)	(25.24)	-	(1.92)	(0.02)	(47.27)	(751.92)	-
Balance as at March 31, 2020	**1,518.37**	**1,587.32**	**1,596.08**	**2,926.94**	**-**	**743.78**	**1,541.04**	**218.50**	**10,132.03**	**3,413.64**
Property, plant and equipment reclassified to Investment Property		(818.56)							(818.56)	
Additions	-	3,162.77	213.56	522.79	817.30	159.27	433.69	52.73	5,362.11	1,536.38
Disposals	-	-	(157.90)	(78.80)	-	(54.42)	(2.80)	(29.96)	(323.88)	(4,585.06)
Balance as at March 31, 2021	**1,518.37**	**3,931.53**	**1,651.74**	**3,370.93**	**817.30**	**848.63**	**1,971.93**	**241.27**	**14,351.70**	**364.96**
Accumulated depreciation										
Balance as at April 1, 2019	**-**	**344.02**		**1,475.48**	**-**	**382.05**	**601.77**	**123.42**	**2,926.74**	**-**
Depreciation charge for the year	-	73.17	606.20	620.57	-	129.12	212.89	28.77	1,670.72	-
Adjustment on account of disposals	-	-	(42.52)	(13.59)	-	(1.27)	(0.01)	(26.86)	(84.25)	-
Balance as at March 31, 2020	**-**	**417.19**	**563.67**	**2,082.46**	**-**	**509.90**	**814.65**	**125.33**	**4,513.21**	**-**
Accumulated depreciation transfer to investment property		(89.32)							(89.32)	
Depreciation charge for the year	-	49.72	401.38	569.65	29.62	118.84	210.56	32.92	1,412.69	-
Adjustment on account of disposals	-	-	(98.76)	(69.50)	-	(47.51)	(2.08)	(18.74)	(236.59)	-
Balance as at March 31, 2021	**-**	**377.59**	**866.29**	**2,582.61**	**29.62**	**581.23**	**1,023.13**	**139.51**	**5,599.99**	**-**
Net block										
Balance as at March 31, 2020	**1,518.37**	**1,170.13**	**1,032.40**	**844.48**	**-**	**233.88**	**726.39**	**93.17**	**5,618.82**	**3,413.64**
Balance as at March 31, 2021	**1,518.37**	**3,553.94**	**785.44**	**788.32**	**787.68**	**267.40**	**948.80**	**101.76**	**8,751.71**	**364.96**

Notes:

(i) Buildings acquired under amalgamation continue in the name of Satin Intellicomm Limited.

(ii) For disclosure of contractual commitments to be executed on capital account, refer note 51.

(iii) Vehicles are taken on finance lease; monthly installments are paid as per agreed terms and conditions.

(iv) Property, plant and equipment have been mortgaged/pledged as security for borrowings, refer note 52.

(All amounts in ₹ lakhs, unless otherwise stated)

15. OTHER INTANGIBLE ASSETS

Particulars	Intangible assets	Total
Gross Block		
Balance as at April 1, 2019	**1,038.83**	**1,038.83**
- Additions – being internally developed	84.61	84.61
- Additions – others	167.54	167.54
Balance as at March 31, 2020	**1,290.98**	**1,290.98**
Additions		
- Additions – being internally developed	-	-
- Additions – others	0.24	0.24
Disposals	-	-
Balance as at March 31, 2021	**1,291.23**	**1,291.23**
Accumulated amortization		
Balance as at April 1, 2019	**802.37**	**802.37**
Amortization charge for the year	83.00	83.00
Adjustment on account of disposal	-	-
Balance as at March 31, 2020	**885.37**	**885.37**
Amortization charge for the year	94.95	94.95
Adjustment on account of disposal	-	-
Balance as at March 31, 2021	**980.32**	**980.32**
Net block		
Balance as at March 31, 2020	**405.61**	**405.61**
Balance as at March 31, 2021	**310.91**	**310.91**

16. OTHER NON-FINANCIAL ASSETS

Particulars	As at March 31, 2021	As at March 31, 2020
Prepaid expenses	1,059.74	1,394.76
Balances with government authorities	159.71	133.38
Capital advance	66.72	146.87
Gratuity fund asset	68.19	185.89
Other assets	1,430.63	284.55
Total	**2,784.99**	**2,145.45**

17. TRADE PAYABLES

Particulars	As at March 31, 2021	As at March 31, 2020
Total outstanding dues of micro enterprises and small enterprises (refer to note 60)	10.84	83.62
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,130.83	848.47
Total	**1,141.67**	**932.09**

18. OTHER PAYABLES

Particulars	As at March 31, 2021	As at March 31, 2020
Total outstanding dues of micro enterprises and small enterprises (refer to note 60)	223.90	227.71
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,998.00	1,332.60
Total	**2,221.90**	**1,560.31**

(All amounts in ₹ lakhs, unless otherwise stated)

19. DEBT SECURITIES (AT AMORTIZED COST)

Particulars	As at March 31, 2021	As at March 31, 2020
Non-convertible debentures	1,71,003.09	86,386.14
Total	**1,71,003.09**	**86,386.14**
Debt securities in India	1,71,003.09	86,386.14
Debt securities outside India	-	-
Total	**1,71,003.09**	**86,386.14**

A. Non-convertible debentures (secured)

	Particulars	Terms of repayment	As at March 31, 2021	As at March 31, 2020
1	Nil (March 31, 2020: 250), @10.35% (Previous year : 10.35%), Secured, rated, unlisted redeemable non-convertible debentures of face value of ₹ 10,00,000 each, The date of allotment is February 27, 2019. (Secured by way of hypothecation of book debts which shall be maintained at 100% of principal amount of the debentures outstanding.)	Redeemable on May 8, 2020.	-	2,500.00
2	200 (March 31, 2020: 200), @12.75% (Previous year : 12.75%), Secured, listed, redeemable, non-convertible debentures of face value of ₹ 2,500,000 each, The date of allotment is July 15, 2014. (Secured by way of hypothecation of book debts which shall be maintained at 110% of principal amount of the debentures outstanding.)	Redeemable at par on June 30, 2023, subject to call/put option on July 15, 2021.	5,000.00	5,000.00
3	Nil (March 31, 2020: 250), @13.35% (Previous year : 13.35%), Secured, rated, redeemable, listed, non-convertible debentures of face value of ₹ 10,00,000 each, The date of allotment is November 3, 2016. (Secured by way of hypothecation of book debts which shall be maintained at 100% of principal amount of the debentures outstanding.)	Redeemable on November 30, 2020.	-	2,500.00
4	Nil (March 31, 2020: 450), @11.34% (Previous year : 11.34%), Secured, unlisted, redeemable non-convertible debentures of face value of ₹ 10,00,000 each, The date of allotment is December 7, 2017. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding.)	Redeemable at par on December 7, 2020.	-	4,500.00
5	Nil (March 31, 2020: 330), @11.99% (Previous year : 11.99%), Secured, unlisted, redeemable non-convertible debentures of face value of ₹ 10,00,000 each, The date of allotment is December 8, 2017. (Secured by way of hypothecation of book debts which shall be maintained at 100% of principal amount of the debentures outstanding.)	Redeemable at par on December 8, 2020.	-	3,300.00
6	Nil (March 31, 2020: 20), @14.50% (Previous year : 14.50%), Secured, senior, rated, redeemable, non-convertible debentures of face value of ₹ 10,00,000 each, The date of allotment is May 8, 2015. (Secured by way of hypothecation of book debts which shall be maintained at 110% of principal amount of the debentures outstanding.)	Redeemable on December 18, 2020, subject to put option on May 8, 2019.	-	200.00
7	Nil (March 31, 2020: 600), @11.95% (Previous year : 11.95%), Secured, listed, redeemable non-convertible debentures of face value of ₹ 10,00,000 each, The date of allotment is February 8, 2018. (Secured by way of hypothecation of book debts which shall be maintained at 100% of principal amount of the debentures outstanding.)	Redeemable at par on February 8, 2021, Payable annually	-	2,000.00
8	300 (March 31, 2020: 300), @10.60% (Previous year : 10.60%), Secured, rated, unlisted redeemable non-convertible debentures of face value of ₹ 10,00,000 each, The date of allotment is August 29, 2018. (Secured by way of hypothecation of book debts which shall be maintained at 100% of principal amount of the debentures outstanding.)	Redeemable on August 25, 2021, payable monthly.	416.66	1,416.66

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

	Particulars	Terms of repayment	As at March 31, 2021	As at March 31, 2020
9	2,130 (March 31, 2020: 2,130), @11.095% (Previous year : 11.095%), Secured, rated, listed redeemable non-convertible debentures of face value of ₹ 10,00,000 each, The date of allotment is December 14, 2018. (Secured by way of hypothecation of book debts which shall be maintained at 100% of principal amount of the debentures outstanding.)	Redeemable on December 14, 2023, payable half yearly.	18,257.14	21,300.00
10	1,500 (March 31, 2020: Nil) @10.30% (Previous year: Nil %), Secured, listed, redeemable, non-convertible debentures of face value of ₹ 10,00,000 each, The date of allotment is December 31, 2020. (Secured by way of hypothecation of book debt which shall be maintained at 110% of principal amount of the debentures outstanding.)	Redeemable ₹ 3,750 lakhs on October 02, 2021, ₹ 3,750 lakhs on December 31, 2021, ₹ 3,750 lakhs March 31, 2022 and ₹ 3,750 lakhs on June 30, 2022.	15,000.00	-
11	387 (March 31, 2020: 387), @11.00% (Previous year : 11.00%),Secured, rated, listed redeemable non-convertible debentures of face value of ₹ 10,00,000 each, The date of allotment is October 26, 2018. (Secured by way of hypothecation of book debts which shall be maintained at 100% of principal amount of the debentures outstanding.)	Redeemable on October 26, 2021.	3,870.00	3,870.00
12	500 (March 31, 2020: Nil) @10.25% (Previous year: Nil %), Secured, listed, redeemable, non-convertible debentures of face value of ₹ 10,00,000 each, The date of allotment is August 18, 2020. (Secured by way of hypothecation of book debt which shall be maintained at 110% of principal amount of the debentures outstanding)	Redeemable at par on February 18, 2022.	5,000.00	-
13	1000 (March 31, 2020: Nil) @10.25% (Previous year: Nil %), Secured, listed, redeemable, non-convertible debentures of face value of ₹ 10,00,000 each, The date of allotment is August 24, 2020. (Secured by way of hypothecation of book debt which shall be maintained at 115% of principal amount of the debentures outstanding.)	Redeemable at par on February 24, 2022.	10,000.00	-
14	500 (March 31, 2020: Nil) @10.20% (Previous year: Nil %), Secured, listed, redeemable, non-convertible debentures of face value of ₹ 10,00,000 each, The date of allotment is August 31, 2020. (Secured by way of hypothecation of book debt which shall be maintained at 125% of principal amount of the debentures outstanding.)	Redeemable at par on February 28, 2022.	5,000.00	-
15	500 (March 31, 2020: Nil) @10.25% (Previous year: Nil %), Secured, listed, redeemable, non-convertible debentures of face value of ₹ 10,00,000 each, The date of allotment is September 15, 2020. (Secured by way of hypothecation of book debt which shall be maintained at 115% of principal amount of the debentures outstanding.)	Redeemable at par on March 15, 2022.	5,000.00	-
16	1750 (March 31, 2020: Nil) @10.40% (Previous year: Nil %), Secured, listed, redeemable, non-convertible debentures of face value of ₹ 10,00,000 each, The date of allotment is September 30, 2020. (Secured by way of hypothecation of book debt which shall be maintained at 110% of principal amount of the debentures outstanding.)	Redeemable at par on March 30, 2022.	17,500.00	-
17	250 (March 31, 2020: Nil) @10.25% (Previous year: Nil %), Secured, listed, redeemable, non-convertible debentures of face value of ₹ 10,00,000 each, The date of allotment is October 13, 2020. (Secured by way of hypothecation of book debt which shall be maintained at 110% of principal amount of the debentures outstanding.)	Redeemable at par on April 13, 2022.	2,500.00	-
18	9750 (March 31, 2020: Nil) @10.50% (Previous year: Nil %), Secured, unlisted, redeemable, non-convertible debentures of face value of ₹ 50,000 each, The date of allotment is December 16, 2020. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding.)	Redeemable ₹ 4,874.51 lakhs (99.99%) on May 06, 2022 and rest ₹ 0.49 lakhs (.01%) on May 06, 2024.	4,875.00	-

(All amounts in ₹ lakhs, unless otherwise stated)

	Particulars	Terms of repayment	As at March 31, 2021	As at March 31, 2020
19	250 (March 31, 2020: Nil) @10.40% (Previous year: Nil %), Secured, listed, redeemable, non-convertible debentures of face value of ₹ 10,00,000 each, The date of allotment is November 09, 2020. (Secured by way of hypothecation of book debt which shall be maintained at 110% of principal amount of the debentures outstanding.)	Redeemable at par on May 09, 2022.	2,500.00	-
20	500 (March 31, 2020: Nil) @10.20% (Previous year: Nil %), Secured, listed, redeemable, non-convertible debentures of face value of ₹ 10,00,000 each, The date of allotment is December 10, 2020. (Secured by way of hypothecation of book debt which shall be maintained at 125% of principal amount of the debentures outstanding.)	Redeemable at par on June 10, 2022.	5,000.00	-
21	680 (March 31, 2020: 680), @11.70% (Previous year : 11.70%), Secured, rated, redeemable, listed non-convertible debentures of face value of ₹ 10,00,000 each, The date of allotment is June 15, 2016. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding.)	Redeemable at par on June 15,2022 (in case second put/call option is exercised, otherwise if put/call option not exercised then redeemable at par on June 15, 2025)	6,800.00	6,800.00
22	650 (March 31, 2020: 650), @12.06% (Previous year : 12.06%), Secured, listed, redeemable non - convertible debentures of face value of ₹ 10,00,000 each, The date of allotment is October 3, 2017. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding.)	Redeemable at par on October 3, 2022, subject to call/put Option after three years from date of allotment.	6,500.00	6,500.00
23	600 (March 31, 2020: Nil) @11.50% (Previous year: Nil %), Secured, listed, redeemable, non-convertible debentures of face value of ₹ 10,00,000 each, The date of allotment is October 23, 2020. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding.)	Redeemable ₹ 1,500 lakhs (25%) on April 24, 2023, ₹ 1,500 lakhs (25%) on October 24, 2023 rest ₹ 3,000 lakhs (50%) on April 23, 2024.	6,000.00	-
24	18,750 (March 31, 2020: Nil) @11.10%, Secured, unlisted, redeemable, non-convertible debentures of face value of ₹ 100,000 each, The date of allotment is December 22, 2020. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding.)	Redeemable ₹ 18,748.13 lakhs (99.99%) on June 05, 2023 and rest ₹ 1.87 lakhs (.01%) on June 05, 2025.	18,750.00	-
25	50 (March 31, 2020: NIL), @14.50% (Previous year : NIL), rated, listed, fully paid up, senior, secured, redeemable, taxable, non-convertible debentures of face value of ₹ 10,00,000 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	500.00	-
26	250 (March 31, 2020: Nil) @11.25% (Previous year: Nil %), Secured, listed, redeemable, non-convertible debentures of face value of ₹ 10,00,000 each, The date of allotment is June 30, 2020. (Secured by way of hypothecation of book debt which shall be maintained at 110% of principal amount of the debentures outstanding.)	Redeemable at par on June 30, 2023.	2,500.00	-
27	250 (March 31, 2020: Nil) @11.00% (Previous year: Nil %), Secured, listed, redeemable, non-convertible debentures of face value of ₹ 10,00,000 each, The date of allotment is July 28, 2020. (Secured by way of hypothecation of book debt which shall be maintained at 110% of principal amount of the debentures outstanding.)	Redeemable at par on July 28, 2023.	2,500.00	-

(All amounts in ₹ lakhs, unless otherwise stated)

	Particulars	Terms of repayment	As at March 31, 2021	As at March 31, 2020
28	970 (March 31, 2020: 970), @11.67% (Previous year : 11.67%), Secured, rated, listed redeemable non-convertible debentures of face value of ₹ 10,00,000 each, The date of allotment is July 31, 2018. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding.)	Redeemable on July 31, 2023, subject to call/put option after three years of allotment.	9,700.00	9,700.00
29	250 (March 31, 2020: Nil) @10.95% (Previous year: Nil %), Secured, listed, redeemable, non-convertible debentures of face value of ₹ 10,00,000 each, The date of allotment is July 31, 2020. (Secured by way of hypothecation of book debt which shall be maintained at 110% of principal amount of the debentures outstanding.)	Redeemable at par on July 31, 2023.	2,500.00	-
30	1200 (March 31, 2020: 1200), @11.45% (Previous year: 11.45%), Secured, rated, listed redeemable non-convertible debentures of face value of ₹ 10,00,000 each, The date of allotment is September 27, 2019. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding.)	Redeemable on September 27, 2023.	12,000.00	12,000.00
	Total (A)		**1,67,668.80**	**81,586.66**

(B) Non convertible debentures (unsecured)

	Particulars	Terms of repayment	As at March 31, 2021	As at March 31, 2020
1	Nil (March 31, 2020: 250), @13.35%, Unsecured, rated, listed, redeemable, non-convertible debentures of face value of ₹ 1,000,000 each, The date of allotment is November 4, 2016.	Redeemable on November 30, 2020	-	2,500.00
2	150 (March 31, 2020: Nil) @11.69% per annual, Rated, Unsubordinated, Unsecured, listed, redeemable, non-convertible debentures of face value of ₹ 10,00,000 each, The date of allotment is August 07, 2020.	Redeemable at par on August 09, 2021.	1,500.00	-
3	2,628 (March 31, 2020: 2628), @14.15%, (Previous Year : 14.15%) Unsecured, rated, listed, senior, redeemable, taxable, transferable, non-convertible debentures of face value of ₹ 100,000 each, The date of allotment is October 5, 2015.	Redeemable on September 15, 2021, subject to call put option of 4th year September 16, 2019	2,628.00	2,628.00
	Total (B)		**4,128.00**	**5,128.00**
	Total (A+B)		**1,71,796.80**	**86,714.66**
	Less: Unamortized transaction costs		(793.71)	(328.52)
	Total		**1,71,003.09**	**86,386.14**

(All amounts in ₹ lakhs, unless otherwise stated)

20. BORROWINGS (OTHER THAN DEBT SECURITIES) (AT AMORTIZED COST)

Particulars	As at March 31, 2021	As at March 31, 2020
Term loans		
From banks		
Secured	1,94,425.08	2,07,249.46
From other parties		
Secured	1,52,750.65	1,65,668.87
Unsecured	421.82	782.63
Overdraft facility against term deposits		
From banks		
Secured	10,989.97	13,793.17
Unsecured	0.33	-
External commercial borrowings		
Secured	19,019.65	11,936.89
Unsecured	6,877.21	7,030.14
Commercial paper	3,838.25	-
Liability against securitized assets (net of over collateralization amount)	5,501.35	3,910.50
Liability against leased assets	877.73	1,090.95
Total	**3,94,702.04**	**4,11,462.61**
Borrowings in India	3,68,805.18	3,92,495.58
Borrowings outside India	25,896.86	18,967.03
Total	**3,94,702.04**	**4,11,462.61**

21. SUB-ORDINATED LIABILITIES (AT AMORTIZED COST)

Particulars	As at March 31, 2021	As at March 31, 2020
Preference shares other than those that qualify as equity (refer notes A)	2,499.63	2,493.44
Non-convertible debentures (refer note B)	23,660.13	26,105.44
Term loans from banks	25,500.00	25,500.00
Term loans from parties other than banks	-	999.75
External commercial borrowings	748.09	1,203.91
Total	**52,407.85**	**56,302.54**
Sub-ordinated liabilities in India	51,659.76	55,098.63
Sub-ordinated liabilities outside India	748.09	1,203.91
Total	**52,407.85**	**56,302.54**

Notes:

A Preference shares

During the year ended March 31, 2017, the Holding Company allotted 2,50,00,000, 12.10% Rated, Cumulative, Non-Participative, Non-Convertible, Compulsorily Redeemable Preference Shares of face value of ₹10 each fully paid-up for cash at an issue price of ₹ 10. Subsequent to the balance sheet date, these preference shares have been redeemed on April 22, 2021.

(All amounts in ₹ lakhs, unless otherwise stated)

B Non convertible debentures (unsecured)

	Particulars	Terms of repayment	As at March 31, 2021	As at March 31, 2020
1	Nil (March 31, 2020: 150), @16.90%, Unsecured, listed, redeemable, Subordinate, non-convertible debentures of face value of ₹ 10,00,000 each, The date of allotment is March 20, 2015.	Redeemable at par on September 20, 2020	-	1,500.00
2	Nil (March 31, 2020: 130), @17.75%, Unsecured, unlisted, redeemable, Subordinate, non - convertible debentures of face value of ₹ 10,00,000 each, The date of allotment is March 31, 2015.	Redeemable at par on December 18, 2020	-	1,300.00
3	250 (March 31, 2020: 250), IDFC 1 Yr MCLR + 5.90 spread i.e.15.10%, Unsecured, rated, redeemable, Subordinate, listed, taxable, non-convertible debentures of face value of ₹ 1,000,000 each, The date of allotment is June 30, 2015.	Redeemable on June 30, 2021	2,500.00	2,500.00
4	250 (March 31, 2020: 250), @15.50%, Unsecured, rated, subordinated, redeemable, Subordinate, non-convertible debentures of face value of ₹ 10,00,000 each, The date of allotment is December 30, 2015.	Redeemable on April 15, 2022	2,500.00	2,500.00
5	100 (March 31, 2020: 100), @15.50%, Unsecured, rated, unlisted, redeemable, Subordinate, non-convertible debentures of face value of ₹ 10,00,000 each, The date of allotment is June 28, 2016.	Redeemable on September 28, 2022	1,000.00	1,000.00
6	100 (March 31, 2020: 100), @15.00%, Unsecured, rated, unlisted, redeemable, Subordinate, non-convertible debentures of face value of ₹ 10,00,000 each, The date of allotment is June 29, 2016.	Redeemable on September 30, 2022	1,076.19	1,000.00
7	100 (March 31, 2020: 100), @15.00%, Unsecured, rated, unlisted, redeemable, Subordinate, non-convertible debentures of face value of ₹ 10,00,000 each, The date of allotment is June 29, 2016.	Redeemable on December 31, 2022	1,076.19	1,000.00
8	100 (March 31, 2020: 100), @15.00% Unsecured, rated, unlisted, redeemable, Subordinate, non-convertible debentures of face value of ₹ 10,00,000 each, The date of allotment is June 29, 2016.	Redeemable on March 31, 2023	1,076.19	1,000.00
9	350 (March 31, 2020: 350), @13.85%, Unsecured, unrated, unlisted, redeemable, Subordinate, non-convertible debentures of face value of ₹ 10,00,000 each, The date of allotment is March 29, 2017.	Redeemable on April 30, 2023	3,500.00	3,500.00
10	100 (March 31, 2020: 100), @15.00%, Unsecured, rated, unlisted, redeemable, Subordinate, non-convertible debentures of face value of ₹ 10,00,000 each, The date of allotment is June 29, 2016.	Redeemable on June 30, 2023	1,076.19	1,000.00
11	300 (March 31, 2020: 300), @15.50%, Unsecured, rated, listed, redeemable, Subordinate, taxable, transferable, non-convertible debentures of face value of ₹ 10,00,000 each, The date of allotment is December 17, 2019.	Redeemable on December 31, 2026	3,000.00	3,000.00
12	5,005 (March 31, 2020: 5,005), @ 13.14%, Unsecured, rated, unlisted, redeemable, Subordinate, taxable, transferable, non-convertible debentures of face value of ₹ 50,000 each, The date of allotment is March 24, 2020.	Redeemable on April 24, 2027	2,502.50	2,502.50
13	5,005 (March 31, 2020: 5,005), @ 13.14%, Unsecured, rated, unlisted, redeemable, Subordinate, taxable, transferable, non-convertible debentures of face value of ₹ 50,000 each, The date of allotment is March 24, 2020.	Redeemable on April 24, 2027	2,502.50	2,502.50
14	20 (March 31, 2020: 20), @ 14%, Unsecured, rated, listed, redeemable, Subordinate, taxable, transferable, non-convertible debentures of face value of ₹ 1,00,00,000 each, The date of allotment is December 17, 2019.	Redeemable on December 21, 2026	2,000.00	2,000.00
	Total		**23,809.76**	**26,305.00**
	Less: Unamortized transaction costs		(149.63)	(199.56)
	Total		**23,660.13**	**26,105.44**

(All amounts in ₹ lakhs, unless otherwise stated)

Reconciliation of liabilities arising from financing activities

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

Particulars	Debt securities	Borrowings (other than debt)	Subordinated liabilities	Liability against leased assets	Total
April 1, 2019	**97,586.85**	**3,75,553.88**	**53,919.68**	**-**	**5,27,060.41**
Adoption of Ind AS 116	-	-	-	1,822.53	1,822.53
Cash flows:				-	-
- Repayment	(32,852.45)	(2,87,956.35)	(2,469.76)	(693.40)	(3,23,971.96)
- Proceeds from overdraft facility	-	7,878.19	-	-	7,878.19
- Proceeds other than overdraft facility	21,428.00	3,14,957.76	10,005.00	-	3,46,390.76
	(11,424.45)	**34,879.60**	**7,535.24**	**(693.40)**	**30,296.99**
Non-cash:					
- Addition during the year	-	-	-	451.01	451.01
- Conversion of Optionally Convertible, Redeemable Preference Shares	-	-	(5,310.68)	-	(5,310.68)
- Foreign exchange	-	721.38	65.97	-	787.35
- Amortization of upfront fees	238.56	1,656.31	209.56	-	2,104.43
- Deferment of upfront processing fee	(14.82)	(2,439.51)	(117.23)	-	(2,571.56)
- Others	-	-	-	(489.19)	(489.19)
March 31, 2020	**86,386.14**	**4,10,371.66**	**56,302.54**	**1,090.95**	**5,54,151.29**
Adoption of Ind AS 116	-	-	-	-	-
Cash flows:					
- Repayment	(21,542.85)	(2,61,983.40)	(4,169.77)	(463.91)	(2,88,159.93)
- Proceeds from overdraft facility	-	(1,903.20)	-	-	(1,903.20)
- Proceeds other than overdraft facility	1,06,625.00	2,47,158.61	-	-	3,53,783.61
	85,082.15	**(16,727.99)**	**(4,169.77)**	**(463.91)**	**63,720.48**
Non-cash:					
- Addition during the year	-	163.19	304.77	213.57	681.53
- Foreign exchange	-	(291.98)	(89.19)	-	(381.17)
- Amortization of upfront fees	301.83	1,818.76	59.50	-	2,180.09
- Deferment of upfront processing fee	(767.03)	(1,509.33)	-	-	(2,276.36)
- Others	-	-	-	37.12	37.12
March 31, 2021	**1,71,003.09**	**3,93,824.31**	**52,407.85**	**877.73**	**6,18,112.97**

Notes:

i) The Borrowings together with debt securities and subordinate liabilities referred in notes 19, 20 and 21 are secured by way hypothecation of portfolio loans arising out of its business operations, cash collateral in the form of fixed deposits. The same has also been guaranteed by two of the directors of the Holding Company in their personal capacity.

ii) Vehicles and building are hypothecated for respective borrowings availed for purchase of property plant and equipment.

(All amounts in ₹ lakhs, unless otherwise stated)

Terms of repayment of debt securities, other borrowings and subordinated liabilities as on March 31, 2021 are as follows:#

Repayment	Interest rate range	Due within 1 year		Due within 1 to 2 years		Due within 2 to 3 years		Due within 3 to 4 years		Due after 4 years		Total
		No. of instalments	Amount	No. of instalments	Amount	No. of instalments	Amount	No. of instalments	Amount	No. of instalments	Amount	Amount
Monthly	Below 9.00%	193	10,419.52	109	2,771.84	71	36.22	43	13.96	9	2.10	13,243.64
	9% to 12%	391	55,009.78	235	28,901.26	105	2,927.02	52	542.75	10	156.25	87,537.06
	12.01% to 15%	1,160	23,456.41	435	8,051.66	146	1,610.40	49	605.71	14	208.50	33,932.68
Quarterly	Below 9.00%	21	7,029.15	16	5,263.32	10	763.32	8	263.32	16	196.05	13,515.16
	9% to 12%	76	51,101.07	46	26,800.57	23	11,748.42	5	3,520.83	-	-	93,170.89
	12.01% to 15%	18	3,620.97	14	2,502.14	6	1,187.50	-	-	-	-	7,310.61
Semi-annually	Below 9.00%	4	10,171.50	3	6,421.50	2	2,671.50	2	2,671.50	-	-	21,936.00
	9% to 12%	22	33,465.71	16	16,685.71	8	8,685.71	3	1,000.00	-	-	59,837.13
	12.01% to 15%	1	3,000.00	2	6,000.00	3	6,000.00	1	3,000.00	4	2,000.00	20,000.00
	Above 15%	-	-	-	-	-	-	-	-	4	3,000.00	3,000.00
Annually	9% to 12%	1	833.33	1	833.33	1	833.33	-	-	-	-	2,499.99
Bullet	Below 9.00%	6	20,507.62	-	-	-	-	-	-	-	-	20,507.62
	9% to 12%	14	69,322.88	6	28,709.44	2	5,000.00	-	-	1	7,350.47	1,10,382.79
	12.01% to 15%	1	2,628.00	2	10,804.77	4	20,700.00	-	-	1	20,000.00	54,132.77
	Above 15%	1	2,500.00	3	6,500.00	1	500.00	-	-	-	-	9,500.00
Bullet		1	2,500.00	-	-	-	-	-	-	-	-	2,500.00
On demand	Variable rates	1	30,989.97	1	14,874.51	2	18,748.13	2	0.49	6	5,006.88	69,619.98
Total		**1,911**	**3,26,555.91**	**889**	**1,65,120.05**	**384**	**81,411.55**	**165**	**11,618.56**	**65**	**37,920.25**	**6,22,626.32**

(All amounts in ₹ lakhs, unless otherwise stated)

Terms of repayment of debt securities, other borrowings and subordinated liabilities as on March 31, 2020 are as follows:#

Repayment	Interest rate range	Due within 1 year		Due within 1 to 2 years		Due within 2 to 3 years		Due within 3 to 4 years		Due after 4 years		Total
		No. of instalments	Amount	No. of instalments	Amount	No. of instalments	Amount	No. of instalments	Amount	No. of instalments	Amount	Amount
Monthly	Below 9.00%	94	4,038.24	83	4,035.88	44	965.27	12	4.96	8	3.56	9,047.91
	9% to 12%	521	55,917.47	223	23,869.15	90	7,142.35	46	16.33	11	4.37	86,949.66
	12.01% to 15%	1,090	25,798.19	729	16,774.58	244	2,538.80	179	1,975.74	93	750.54	47,837.85
Quarterly	Below 9.00%	3	38.49	4	51.32	4	51.32	4	51.32	24	307.55	500.00
	9% to 12%	99	74,788.79	53	34,485.23	22	16,056.67	4	1,333.33	-	-	1,26,664.02
	12.01% to 15%	12	1,693.50	12	1,506.43	10	1,192.32	3	187.50	-	-	4,579.75
Semi-annually	Below 9.00%	-	-	2	2,671.50	2	2,671.50	2	2,671.50	2	2,671.50	10,686.00
	9% to 12%	25	50,272.86	26	34,421.46	16	16,685.71	8	8,685.71	3	1,000.00	1,11,065.74
	12.01% to 15%	-	-	-	-	-	-	-	-	4	2,000.00	2,000.00
	Above 15%	-	-	-	-	-	-	-	-	4	3,000.00	3,000.00
Annually	9% to 12%	1	2,000.00	-	-	-	-	-	-	-	-	2,000.00
Bullet	Below 9.00%	1	2,000.00	-	-	-	-	-	-	-	-	2,000.00
	9% to 12%	10	28,750.00	2	6,498.00	1	6,800.00	-	-	-	-	42,048.00
	12.01% to 15%	4	10,200.00	-	-	3	17,586.27	3	15,700.00	1	20,000.00	63,486.27
	Above 15%	3	3,800.00	1	2,500.00	3	6,500.00	-	-	-	-	12,800.00
Bullet		-	-	-	-	1	2,500.00	-	-	-	-	2,500.00
On demand	Variable rates	-	13,793.17	1	3,000.00	2	6,000.00	1	3,000.00	4	5,005.00	30,798.17
Total		**1,863**	**2,73,090.71**	**1,136**	**1,29,813.55**	**442**	**86,690.21**	**262**	**33,626.39**	**154**	**34,742.52**	**5,57,963.36**

All the above mentioned repayments disclosed as per the contractual maturities of debt securities, borrowing other than debt securities and subordinate liabilities at gross carrying value.

(All amounts in ₹ lakhs, unless otherwise stated)

22. OTHER FINANCIAL LIABILITIES

Particulars	As at March 31, 2021	As at March 31, 2020
Interest accrued on debt securities	5,128.29	2,544.26
Interest accrued on borrowings other than debt securities	2,144.12	2,506.61
Interest accrued on subordinated liabilities	588.62	828.16
Payable towards assignment and securitization transactions	19,946.50	17,192.41
Margin money received from customers	203.21	664.62
First loss default guarantee	2,956.25	1,489.75
Payable to employees	528.62	212.99
Security deposit received	34.48	18.37
Insurance payables	200.29	48.63
Financial liability for corporate guarantee	45.95	26.53
Total	**31,776.33**	**25,532.33**

23. CURRENT TAX LIABILITIES (NET)

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for tax (net)	87.90	-
Total	**87.90**	**-**

24. PROVISIONS

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for gratuity	36.11	13.39
Provision for compensation absences	1,605.84	1,272.32
Provision for compassionate	0.90	-
Total	**1,642.85**	**1,285.71**

25. OTHER NON-FINANCIAL LIABILITIES

Particulars	As at March 31, 2021	As at March 31, 2020
Interest received in advance	50.73	30.19
Deferred income	11.75	21.17
Statutory dues payables	808.50	851.87
Total	**870.98**	**903.23**

(All amounts in ₹ lakhs, unless otherwise stated)

26. EQUITY SHARE CAPITAL

	Particulars	As at March 31, 2021		As at March 31, 2020	
		Number	Amount	Number	Amount
A	**Authorized share capital**				
	Equity share capital of face value of ₹ 10 each				
	At the beginning of the year	6,50,00,000	6,500.00	6,50,00,000	6,500.00
	Additions during the year	3,00,00,000	3,000.00	-	-
		9,50,00,000	**9,500.00**	**6,50,00,000**	**6,500.00**
B	**Issued and subscribed**				
	Equity share capital of face value of ₹ 10 each				
	At the beginning of the year	5,20,84,694	5,208.47	4,89,50,367	4,895.04
	Additions during the year	1,99,82,283	1,998.23	31,34,327	313.43
		7,20,66,977	**7,206.70**	**5,20,84,694**	**5,208.47**
C	**Issued and paid-up**				
	Fully paid-up				
	Equity share capital of face value of ₹ 10 each				
	At the beginning of the year	5,20,38,194	5,203.82	4,89,03,867	4,890.39
	Additions during the year	-	-	31,34,327	313.43
		5,20,38,194	**5,203.82**	**5,20,38,194**	**5,203.82**
	Partly paid-up				
	Equity share capital of face value of ₹ 10 each and paid up of ₹ 7.5 each				
	At the beginning of the year	-	-	-	-
	Additions during the year	1,99,82,283	1,498.67	-	-
		1,99,82,283	**1,498.67**	**-**	**-**
	Less: Calls in arrears	(2,55,678)	(12.78)	-	-
		1,97,26,605	**1,485. 89**	**-**	**-**
	Less: Amount recoverable from Satin Employees Welfare Trust	(4,82,946)	(44.94)	(3,48,950)	(34.90)
	(Equity shares of ₹ 10 each allotted to the Satin Employees Welfare Trust)	**7,12,81,853**	**6,644.77**	**5,16,89,244**	**5,168.92**
	Add: forfeited shares (Amount originally paid on 46,500 equity shares)	-	2.35	-	2.35
		7,12,81,853	**6,647.12**	**5,16,89,244**	**5,171.27**
D	**Reconciliation of number of equity shares outstanding at the beginning and at the end of the year**				
	Balance at the beginning of the year	5,20,38,194	5,203.82	4,89,03,867	4,890.39
	Add: Issued during the year	1,99,82,283	1,498.67	31,34,327	313.43
		7,20,20,477	**6,702.49**	**5,20,38,194**	**5,203.82**
E	**Reconciliation of number of equity shares issued to Satin Employees Welfare Trust outstanding at the beginning and at the end of the year**				
	Balance at the beginning of the year	3,48,950	34.89	3,96,700	39.67
	Add: Allotted to trust during the year	1,33,996	10.05	-	-
	Less: Allotted to employees during the year	-	-	47,750	4.78
		4,82,946	**44.94**	**3,48,950**	**34.89**

F (i) During the current year, the authorized share capital of the Holding Company was increased vide approval of equity shareholders from ₹ 6,500 lakhs divided into 65,000,000 equity shares of ₹ 10 each to 9,500 lakhs divided into 95,000,000 equity shares of ₹ 10 each.

(ii) During the year ended March 31, 2020, the allotment of 1,343,283 equity shares of ₹ 10 each at issue price of ₹ 335 per share including premium of ₹ 325 per share on preferential basis pursuant to conversion of 1,343,283, Optionally Convertible, Cumulative, Redeemable Preference Shares ("OCCRPS") of face value of ₹ 10 each fully paid-up to IndusInd Bank Limited (entity belonging to non-promoter group).

(iii) During the year ended March 31, 2020, the allotment of 1,791,044 equity shares of ₹ 10 each at issue price of ₹ 335 per share including premium of ₹ 325 per share (25% of which was paid on allotment of fully convertible warrants (FCW) and 75% was paid on allotment of equity shares) on preferential basis pursuant to conversion of 1,791,044 FCW of face value of ₹ 10 each fully paid-up to Trishashna Holdings & Investments Private Limited (THIPL) (entity belonging to promoter group).

(All amounts in ₹ lakhs, unless otherwise stated)

(iv) During the year ended March 31, 2021, the Holding Company has come up with the rights issue of equity shares amounting upto ₹ 120.00 crores and allotted 1,99,82,283 Partly Paid Equity shares of ₹ 10 each at the price of ₹ 60 per share (Including premium of ₹ 50) on September 1, 2020 to existing shareholders of the Holding Company on rights basis. The Holding Company has received ₹ 15 per partly paid share (comprising paid up value of ₹ 2.50 and premium of ₹ 12.50) on subscription of the aforesaid shares aggregating to amount of ₹ 29.97 crores, remaining balance of ₹ 45 per share (including premium of ₹ 37.50) was to be received in one or more calls as may be decided by the Board from time to time.

The Board of Directors of Holding Company in their meeting held on February 12, 2021, made first call of ₹ 30 per share on the 1,99,82,283 partly paid equity shares of ₹ 10 each (₹ 2.50 paid up).

During the first call money period i.e. March 3, 2021 to March 17, 2021, the Holding Company has recieved first call money on 1,97,26,605 partly paid equity shares at ₹ 30 per share (including premium of ₹ 25) aggregating to amount of ₹ 59.18 crores. For remaining 2,55,678 partly paid shares of ₹ 10 each (₹ 2.50 paid up), the final demad cum forfeiture notice has been issued. As on date partly paid equity shares of ₹ 10 each (₹ 7.50 Paid up) has been listed on BSE Limited and National Stock Exchange of India Limited. As on March 31, 2021, the Holding Company has recieved funds amounting to ₹ 89.15 crores out of ₹ 119.89 crores raised vide rights issue.

G Rights, preferences and restrictions

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

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

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number	%	Number	%
Trishashna Holdings & Investments Private Limited (THIPL)	2,54,77,128	35.37%	1,43,23,264	27.52%
Nordic Microfinance Initiative Fund III KS	46,63,136	6.47%	33,69,318	6.47%
DSP Equity & Bond Fund	-	-	4,785,520	9.20%
SBI FMO Emerging Asia Financial Sector Fund Pte. Limited	-	-	33,13,609	6.37%
Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Small Cap Fund	-	-	2,922,786	5.62%

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

i) On August 30, 2016, the allotment of 1,087,456 equity shares of ₹ 10 each at an issue price of ₹ 457.82 per share including premium of ₹ 447.82 per share on preferential basis to persons and entities belonging to promoter and non-promoter group pursuant to swap of equity shares of the Holding Company with the shareholders of Taraashna Financial Services Limited, "TFSL" (Previously known as Taraashna Services Limited) with an intent to make it a subsidiary of the Holding Company in accordance with the provisions of Chapter VII of SEBI (ICDR) Regulations, 2009. Accordingly, as per confirmation received from TFSL, 7,977,239 equity shares were transferred to the Company.

ii) On May 30, 2018, the allotment of 1,230,098 equity shares of ₹ 10 each on conversion of 1,230,098, 0.01% Optionally Convertible, Redeemable Preference Shares ("OCRPS") of face value of ₹ 10 each fully paid-up to Capital First Limited (entity belonging to non-promoter group).

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

J Shares reserved for issue under options

For details of shares reserved for issue under the Employee Stock Option Plan (ESOP), refer note to 59.

K In respect of securities convertible into equity shares issue along with their earliest date of conversion and other related terms and conditions.

L The information required to be disclosed that enables user of its financial statements to evaluate the its objectives, policies and process for managing capital is disclosed in note 44.

(All amounts in ₹ lakhs, unless otherwise stated)

27. OTHER EQUITY

Particulars	As at March 31, 2021	As at March 31, 2020
Reserve and surplus		
Capital redemption reserve	277.00	277.00
Share options outstanding account	217.77	540.99
Statutory reserve fund	10,102.09	9,979.33
General reserve	29.94	29.94
Securities premium	1,01,809.54	94,548.74
Retained earnings	26,007.99	27,387.58
Other comprehensive income:		
Equity instruments through other comprehensive income	(5.00)	(5.00)
Changes in fair value of loan assets	3,509.45	6,869.19
Cash flow hedge reserve	20.56	69.87
Total	**1,41,969.34**	**1,39,697.64**

Nature and purpose of other reserves

Capital redemption reserve

The same had been created in accordance with provisions of the Companies Act 2013 on account of redemption of preference shares.

Share options outstanding account

The reserve is used to recognize the fair value of the options issued to employees of the Group under Holding Company's employee stock option plan.

Statutory reserve fund

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

General reserve

The management has transferred a portion of the net profit to general reserve before declaring dividend pursuant to the provision of erstwhile Companies Act.

Securities premium

Securities premium represents premium received on issue of shares. The amount is utilized in accordance with the provisions of the Companies Act 2013.

Equity instruments through other comprehensive income

This represents the cumulative gains and losses arising on the fair valuation of equity instruments measured at fair value through other comprehensive income.

Changes in fair value of loan assets

This represents the cumulative gains and losses arising on the fair valuation of loan assets classified under business model of hold and hold to collect and sell.

Cash flow hedge reserve

Cash flow hedge reserve is used to eliminate or reduce the exposure that arises from changes in the cash flows of a financial asset or liability (or other eligible exposure) due to changes in a particular risk, such as interest rate risk on a floating rate debt instrument.

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(All amounts in ₹ lakhs, unless otherwise stated)

28. INTEREST INCOME

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
	On financial assets measured at amortized cost	On financial assets measured classified at fair value through profit and loss	On financial assets measured at amortized cost	On financial assets measured classified at fair value through profit and loss
Interest income on portfolio loans	1,02,914.58	-	96,533.90	-
Income from housing and other loans	4,729.10	-	2,868.67	-
Interest income on deposits, certificate of deposits and commercial papers	7,058.53	-	7,183.24	-
Interest income on investments	-	91.35	-	2,978.17
Interest income on unwinding of assigned portfolio	1,922.88	-	1,436.54	-
Sub total	**1,16,625.09**	**91.35**	**1,08,022.35**	**2,978.17**
Total		**1,16,716.44**		**1,11,000.52**

29. DIVIDEND INCOME

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Dividend income	-	2.21
Total	**-**	**2.21**

30. FEES AND COMMISSION INCOME

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Service fee and facilitation charges	759.28	1,032.11
Income from business correspondent operations*	8,796.68	12,746.31
Total	**9,555.96**	**13,778.42**

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

Type of Services or service	For the year ended March 31, 2021	For the year ended March 31, 2020
Commission income	8,796.68	12,746.31
Total revenue from contracts with customers	**8,796.68**	**12,746.31**
Geographical markets		
India	8,796.68	12,746.31
Outside India	-	-
Total revenue from contracts with customers	**8,796.68**	**12,746.31**
Timing of revenue recognition		
Services transferred at a point in time	-	-
Services transferred over time	8,796.68	12,746.31
Total revenue from contracts with customers	**8,796.68**	**12,746.31**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Contract balances		
Trade receivable	2,177.49	1,460.89
Contract Assets	1,268.85	-
Contract Liabilities	-	115.79

(All amounts in ₹ lakhs, unless otherwise stated)

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

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue as per contract	8,796.68	12,746.31
Adjustments	-	-
Discount	-	-
Revenue from contract with customers	8,796.68	12,746.31

31. NET (LOSS)/GAIN ON FAIR VALUE CHANGES

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(A) Net (Loss) / gain on financial instruments measured at fair value through profit and loss		
- Investments		
Gain on sale of mutual funds	32.80	1,568.59
(Loss)/gain on fair valuation of other investments	(10.71)	8.94
(B) Others		
- Derivatives	(639.50)	(139.70)
Total	**(617.41)**	**1,437.83**
Fair value changes		
- Realized	(10.71)	1,568.59
- Unrealized	(606.70)	(130.76)
Total	**(617.41)**	**1,437.83**

32. NET GAIN ON DERECOGNITION OF FINANCIAL INSTRUMENTS UNDER AMORTIZED COST CATEGORY

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Gain on sale of loan portfolio through assignment	11,191.52	23,608.14
Total	**11,191.52**	**23,608.14**

33. OTHER OPERATING INCOME

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Commitment and other charges	105.65	124.42
Total	**105.65**	**124.42**

(All amounts in ₹ lakhs, unless otherwise stated)

34. OTHER INCOME

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Promotion of financial products	187.50	225.00
Rental income on building	16.19	32.06
Net gain on derecognition of property, plant and equipment	10.11	2.83
Net gain on termination of leases	3.15	42.44
Interest income on income-tax refund	128.52	-
Miscellaneous income	102.64	89.32
Total	**448.11**	**391.65**

35. FINANCE COSTS (ON FINANCIAL LIABILITIES MEASURED AT AMORTIZED COST)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest on debt securities	14,813.27	11,130.70
Interest on borrowings (other than debt securities)	40,744.40	39,863.37
Interest on subordinated liabilities	7,934.61	7,350.85
Interest expense for leasing arrangements	99.40	188.19
Other interest expenses	69.39	75.89
Bank charges	125.64	320.39
Total	**63,786.71**	**58,929.39**

36. IMPAIRMENT ON FINANCIAL INSTRUMENTS

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Loans written off	14,081.58	10,976.73
Impairment loss allowance on other receivable	274.09	479.23
Impairment loss allowance on housing and other loans	13,546.98	7,724.70
Total	**27,902.65**	**19,180.66**

37. EMPLOYEE BENEFIT EXPENSES

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries, wages and bonus	30,819.67	30,775.07
Contribution to provident and other funds	2,696.55	3,642.64
Share based payment to employees	(64.04)	196.19
Staff welfare expenses	280.34	520.68
Total	**33,732.52**	**35,134.58**

38. DEPRECIATION AND AMORTIZATION

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation on property, plant and equipment	1,011.30	1,064.51
Depreciation on right-of-use assets	401.38	606.21
Amortization on intangible assets	94.95	83.00
Total	**1,507.63**	**1,753.72**

(All amounts in ₹ lakhs, unless otherwise stated)

39. OTHER EXPENSES

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Traveling and conveyance	466.96	997.82
Legal and professional charges	1,669.40	2,610.37
Insurance	560.41	688.18
Rent	1,654.22	1,565.64
Auditor's fee and expenses	77.87	48.78
Rates and taxes	116.19	115.33
Repairs and maintenance	591.22	627.67
Software expenses	67.09	112.49
Exchange fluctuation loss (net)	(386.16)	189.17
Documentation charges	152.55	126.23
Corporate social responsibility#	586.00	2.80
Property, plant and equipment written off	25.08	-
Loss on investment property net of Rental income	18.41	-
Car lease rent	-	75.00
Printing and stationery	454.30	469.60
Communication costs	518.08	586.88
Write off against first loss default guarantee	573.91	2,167.37
First loss default guarantee expenses	1,711.16	921.74
Website and maintenance charges	34.59	29.11
Advertisement and publicity	110.58	256.52
Cash embezzlement	101.50	93.13
Interest on interest to borrowers	10.64	-
Other administrative expenses	1,386.63	1,504.74
Miscellaneous expenses	945.52	993.63
Total	**11,446.15**	**14,182.20**
*** Remuneration to auditors comprises of (excluding applicable taxes):**		
As auditors	49.20	37.52
Other services	22.50	5.88
Reimbursement of expenses	6.17	5.38
Total	**77.87**	**48.78**

 # Corporate social responsibility expenses

The Group spent ₹ 586.00 lakhs (March 31, 2020 ₹ 2.80 lakhs), towards Corporate Social Responsibility (CSR) activities as follows:

Particulars	For the year ended March 31, 2021		
	Amount spent	Amount unpaid	Total
Construction/acquisition of any asset			-
On purpose other than above	586.00	-	586.00

Particulars	For the year ended March 31, 2020		
	Amount spent	Amount unpaid	Total
Construction/acquisition of any asset	-	-	-
On purpose other than above	2.80	231.45	234.25

(All amounts in ₹ lakhs, unless otherwise stated)

40. TAX EXPENSE

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Current tax	4,802.05	5,575.17
Income tax for earlier years	392.05	-
Deferred tax charge/(credit)	(4,771.27)	90.21
Tax expense reported in the Statement of Profit and Loss	**422.83**	**5,665.38**

The major components of tax expense and its reconciliation to expected tax expense based on the enacted tax rate applicable to the Group is 25.168% (March 31, 2019: 25.168%) and the reported tax expense in statement of profit and loss are as follows:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Accounting (Loss) / profit before tax expense	**(975.39)**	**21,162.64**
Income tax rate	25.168%	25.168%
Expected tax expense	(245.49)	5,326.21
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense		
Tax impact of expenses which is non deductible	236.93	191.92
Tax impact on items exempt under income tax	(2.57)	(6.28)
Income tax for earlier years	382.17	187.93
Tax on profit elimination	38.87	-
Others	12.91	(34.40)
Tax expense	**422.83**	**5,665.38**

41. EARNINGS PER SHARE (EPS)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Net (Loss) / profit after tax attributable to equity shareholders		
Net (Loss) / profit for the year for basic EPS	**(1,398.22)**	**15,497.26**
Dilutive impact of optionally convertible and redeemable preference shares	-	149.40
Net (Loss) / profit for the year for diluted EPS	**(1,398.22)**	**15,646.66**
Nominal value of equity share (₹)	10	10
Weighted-average number of equity shares for basis earnings per share	6,19,95,970	5,37,59,437
Effect of dilution:		
Optionally convertible preference shares	-	3,19,305
Share warrants	-	4,25,740
Share options	-	23,461
Rights Issue	24,89,342	-
Weighted-average number of equity shares used to compute diluted earnings per share	**6,44,85,312**	**5,45,27,943**
Basic earnings per share (₹)	**(2.26)**	**28.83**
Diluted earnings per share (₹)	**(2.26)**	**28.69**

(All amounts in ₹ lakhs, unless otherwise stated)

42. FINANCIAL INSTRUMENTS

A Financial assets and liabilities

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

Particulars	Note	As at March 31, 2021	As at March 31, 2020
Financial assets measured at fair value			
Derivative financial instruments	Note - 6	34.13	673.63
Loans measured at fair value through other comprehensive income	Note - 8	5,05,504.25	4,20,819.04
Investments* measured at			
Fair value through profit and loss	Note - 9	58.06	24,573.21
Financial assets measured at amortized cost			
Cash and cash equivalents	Note - 4	1,16,403.35	1,17,698.47
Bank balances other cash and cash equivalents	Note - 5	79,429.19	70,417.64
Trade receivables	Note - 7	1,945.52	1,232.97
Loans	Note - 8	75,611.35	73,292.13
Security deposits	Note - 10	406.30	419.70
Other financial assets	Note - 10	3,583.18	2,102.19
Total		**7,82,975.33**	**7,11,228.98**
Financial liabilities measured at amortized cost			
Trade payables	Note - 17	1,141.67	932.09
Other payables	Note - 18	2,221.90	1,560.31
Debt securities (including interest accrued)	Note - 19 and 22	1,76,131.38	88,930.40
Borrowings other than debt securities (including interest accrued)	Note - 20 and 22	3,96,846.16	4,13,969.22
Sub-ordinated liabilities (including interest accrued)	Note - 21 and 22	52,996.47	57,130.70
Other financial liabilities	Note - 22	23,915.30	19,653.30
Total		**6,53,252.88**	**5,82,176.02**

B Fair values hierarchy

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

The categories used are as follows:

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

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

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

Valuation technique used to determine fair value

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

(All amounts in ₹ lakhs, unless otherwise stated)

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

As at March 31, 2021	Level 1	Level 2	Level 3	Total
Assets				
Loans at fair value through other comprehensive income				
Loans	-	5,05,504.25	-	**5,05,504.25**
Investments at fair value through profit and loss				
Mutual funds	57.55	-	-	**57.55**
Government securities	-	0.51	-	**0.51**
Derivative financial assets at fair value through profit and loss				
Currency and interest swaps	-	34.13	-	**34.13**

As at March 31, 2020	Level 1	Level 2	Level 3	Total
Assets				
Loans at fair value through other comprehensive income				
Loans	-	4,20,819.04	-	**4,20,819.04**
Investments at fair value through profit and loss				
Commercial paper	24,518.47	-	-	**24,518.47**
Mutual funds	54.23	-	-	**54.23**
Government securities	-	0.51	-	**0.51**
Derivative financial assets at fair value through profit and loss				
Currency and interest swaps	-	673.63	-	**673.63**

Valuation process and technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

(a) Eligible loans valued by discounting the aggregate future cash flows (both principal and interest cash flows) with credit risk-adjusted discounting rate for the remaining portfolio tenor. The Holding Company has considered the average valuation impact arrived using risk free, cost of funds and yield free securitization approach.

(b) The use of net asset value for mutual funds and certificated of deposits on the basis of the statement received from investee party.

(c) The value of derivative contracts are determined using forward exchange rates at balance sheet date.

B.2 Fair value of instruments measured at amortized cost

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

Particulars	As at March 31, 2021		As at March 31, 2020	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Cash and cash equivalents	1,16,403.35	1,16,403.35	1,17,698.47	1,17,698.47
Bank balances other than cash and cash equivalents	79,429.19	79,429.19	70,417.64	70,417.64
Trade receivables	1,945.52	1,945.52	1,232.97	1,232.97
Loans	75,611.35	76,997.73	73,292.13	74,715.10
Security deposits	406.30	405.84	419.70	423.73
Other financial assets	3,583.18	3,583.18	2,102.19	2,102.19
Total	**2,77,378.89**	**2,78,764.81**	**2,65,163.10**	**2,66,590.10**

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Carrying value	Fair value	Carrying value	Fair value
Financial liabilities				
Trade payables	1,141.67	1,141.67	932.09	932.09
Other payables	2,221.90	2,221.90	1,560.31	1,560.31
Debt securities (including interest accrued)	1,76,131.38	1,81,646.60	88,930.40	90,129.05
Borrowings other than debt securities (including interest accrued)	3,96,846.16	4,06,018.67	4,13,969.22	4,16,036.85
Sub-ordinated liabilities (including interest accrued)	52,996.47	53,610.42	57,130.70	58,597.52
Other financial liabilities	23,915.30	23,455.74	19,653.30	19,369.99
Total	**6,53,252.88**	**6,68,094.99**	**5,82,176.02**	**5,86,625.81**

The management assessed that fair values of cash and cash equivalents, other bank balances, trade receivables and trade payables approximate their respective carrying amounts, largely due to the short-term maturities of these instruments. The following methods and assumptions were used to estimate the fair values for other assets and liabilities:

(i) The fair values of fixed interest bearing loans are determined by applying set of discount rates and then averaged out to arrive at the fair value.

(ii) The fair values of fixed rate interest-bearing debt securities, borrowings and subordinated liabilities are determined by applying discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. For variable rate interest-bearing debt securities, borrowings and subordinated liabilities, carrying value represent best estimate of their fair value as these are subject to changes in underlying interest rate indices as and when the changes happen.

43. FINANCIAL RISK MANAGEMENT

i) Risk Management

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

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

(All amounts in ₹ lakhs, unless otherwise stated)

A) Credit risk

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

a) Credit risk management

Based on business environment in which the Group operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. The Group assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Group has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties, including regular collateral revisions. The Group assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

(i) Low credit risk

(ii) Moderate credit risk

(iii) High credit risk

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

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

Financial assets that expose the entity to credit risk*

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Low credit risk		
Cash and cash equivalents	1,11,398.64	1,12,339.26
Bank balances other than cash and cash equivalents	79,429.19	70,417.64
Trade receivables	1,945.52	1,232.97
Loans	5,17,768.24	4,72,795.37
Security deposits	406.30	419.70
Other financial assets	3,583.18	2,102.19
(ii) Moderate credit risk		
Loans	13,567.49	6,263.00
(iii) High credit risk		
Loans	49,779.87	15,052.80
Other financial assets	6.43	168.54

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

Cash and cash equivalents and bank deposits

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

Trade receivables

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

Other financial assets measured at amortized cost

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

(All amounts in ₹ lakhs, unless otherwise stated)

Loans

The Group 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 by setting limits on the amount of risk it is willing to accept for individual counterparties. These processes include a detailed appraisal methodology, identification of risks and suitable structuring and credit risk mitigation measures. The Group assesses increase in credit risk on an ongoing basis for amounts loan receivables that become past due and default is considered to have occurred when amounts receivable become 90 days past due.

The major guidelines for selection of the client includes:

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

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

* The Holding Company has used forward looking information in form of Real domestic demand and Real agriculture growth rate for Micro finance loans and Consumer prices growth rate for Micro Small and Medium Enterprises loans and subsidiary Companies has used forward looking information in form of inflation rate for housing and other loans.

Assets are written off when there is no reasonable expectation of recovery. The Group continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognized in statement of profit and loss.

b) Credit risk exposure

i) Expected credit losses for financial assets other than loans

As at March 31, 2021	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	1,11,398.64	-	1,11,398.64
Bank balances other than cash and cash equivalents	79,429.19	-	79,429.19
Trade receivables	1,945.52	-	1,945.52
Security deposits	406.30	-	406.30
Other financial assets	3,589.61	6.43	3,583.18

As at March 31, 2020	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	1,12,339.26	-	1,12,339.26
Bank balances other than cash and cash equivalents	70,417.64	-	70,417.64
Trade receivables	1,232.97	-	1,232.97
Security deposits	419.70	-	419.70
Other financial assets	2,270.73	168.54	2,102.19

(All amounts in ₹ lakhs, unless otherwise stated)

ii) Expected credit loss for loans

Definition of default:

The Group considers default in all cases when the borrower becomes 90 days past due on its contractual payments. 'The Expected Credit Loss (ECL) is measured at 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 loan assets. ECL is the product of the Probability of Default, Exposure at Default and Loss Given Default.

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

Particulars	Stage 1	Stage 2	Stage 3
Gross carrying amount as at April 1, 2019	**4,44,629.66**	**2,871.04**	**17,788.64**
Assets originated*	4,23,114.10	4,751.85	5,333.65
Net transfer between stages			
Transfer to stage 1	405.10	(466.69)	61.59
Transfer to stage 2	(6,596.62)	6,602.13	(5.51)
Transfer to stage 3	(11,100.25)	(1,351.45)	12,451.69
Assets derecognized or collected (excluding write offs)	(3,62,681.57)	(5,982.92)	(7,525.32)
Write - offs (including death cases)	-	-	(12,252.23)
Gross carrying amount as at March 31, 2020	**4,87,770.42**	**6,423.96**	**15,852.51**
Assets originated*	3,69,167.79	3,226.19	9,549.75
Net transfer between stages	-	-	-
Transfer to stage 1	272.41	(236.23)	(52.24)
Transfer to stage 2	(13,466.97)	13,473.24	(6.27)
Transfer to stage 3	(37,340.49)	(3,783.65)	41,124.14
Assets derecognized or collected (excluding write offs)	(2,61,108.20)	(5,427.72)	(2,606.45)
Write - offs (including death cases)	-	-	(13,883.71)
Gross carrying amount as at March 31, 2021	**5,45,294.96**	**13,675.79**	**49,977.73**

* Assets originated has been presented net of collection made during the year.

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

Reconciliation of loss allowance	Loans			Other financial assets
	Stage 1	Stage 2	Stage 3	
Loss allowance as at April 1, 2019	**2,229.11**	**867.95**	**7,179.54**	**138.17**
Increase of provision due to assets originated during the year	6,025.22	1,609.78	2,304.82	-
Net transfer between stages	-	-	-	30.37
Transfer to stage 1	113.18	(148.26)	35.08	-
Transfer to stage 2	(37.27)	39.48	(2.21)	-
Transfer to stage 3	(133.70)	(400.26)	533.96	-
Assets derecognized or collected	(1,107.74)	(264.88)	(5,307.53)	-
Impact of ECL on exposures transferred between stages during the year	64.24	486.61	1,848.60	-
Loss allowance as at March 31, 2020	**7,153.04**	**2,190.42**	**6,592.26**	**168.54**
Increase of provision due to assets originated during the year	1,855.06	3,046.20	5,315.00	-
Net transfer between stages	-	-	-	-
Transfer to stage 1	94.35	(71.61)	(22.74)	-
Transfer to stage 2	(196.57)	199.30	(2.73)	-
Transfer to stage 3	(695.05)	(1,151.62)	1,846.67	-
Assets derecognized or collected	(2,110.22)	(923.32)	(6,158.84)	(162.11)
Impact of ECL on exposures transferred between stages during the year	(3,352.77)	2,565.43	13,160.62	-
Loss allowance as at March 31, 2021	**2,747.84**	**5,854.80**	**20,730.24**	**6.43**

(All amounts in ₹ lakhs, unless otherwise stated)

c) Concentration of loans

Particulars	As at March 31, 2021	As at March 31, 2020
Micro finance loans	5,53,479.08	4,63,091.55
Micro, Small and Medium Enterprises (MSME)	39,843.52	36,521.69
Housing finance and other loans	21,436.03	14,210.44
Less: Unamortized processing fee	(4,409.90)	(3,927.49)
Total	**6,10,348.73**	**5,09,896.19**

d) Loans secured against collateral

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

Particulars	Carrying value
As at March 31, 2021	
MSME loans secured by property, plant and equipment (including land, building and plots)	44,257.23
MSME loans secured by book debts, inventories, margin money and other working capital items	1,163.50
As at March 31, 2020	
MSME loans secured by property, plant and equipment (including land, building and plots)	24,463.05
MSME loans secured by book debts, inventories, margin money and other working capital items	5,356.76

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

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

B) Liquidity risk

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

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

(i) Financing arrangements

The Group had access to the following undrawn borrowing facilities:

As at March 31, 2021	Total facility	Drawn	Undrawn
- Expiring within one year	67,866.85	44,490.31	23,376.54
- Expiring beyond one year	9,09,106.40	8,77,061.40	32,045.00
Total	**9,76,973.25**	**9,21,551.71**	**55,421.54**

As at March 31, 2020	Total facility	Drawn	Undrawn
- Expiring within one year	44,673.15	14,493.17	30,179.98
- Expiring beyond one year	8,35,972.70	7,76,722.56	59,250.14
Total	**8,80,645.85**	**7,91,215.73**	**89,430.12**

(ii) Maturities of financial assets and liabilities

The table below analyze the Group financial assets and liabilities into relevant maturity groupings based on their contractual maturities. The table below shows an analysis of assets and liabilities analyzed according to when they are expected to be recovered or settled. Derivatives have been classified to mature and/or be repaid within 12 months, regardless of the actual contractual maturities of the products. With regard to loans and advances to customers, the Group uses the same basis of expected repayment behavior as used for estimating the EIR. Issued debt reflect the contractual coupon amortizations.

(All amounts in ₹ lakhs, unless otherwise stated)

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

As at March 31, 2021	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Financial assets					
Non-derivatives					
Cash and cash equivalents	1,16,445.51	-	-	-	**1,16,445.51**
Bank balances other than cash and cash equivalents	65,621.30	13,774.91	2,059.55	225.07	**81,680.83**
Trade receivables	1,945.52	-	-	-	**1,945.52**
Loans	4,13,524.96	2,58,596.92	21,460.07	42,342.08	**7,35,924.03**
Investments	63.06	-	-	-	**63.06**
Other financial assets	3,871.04	109.15	29.63	40.32	**4,050.14**
Derivatives (net settled)					
Derivative financial instruments	34.13	-	-	-	**34.13**
Total undiscounted financial assets	**6,01,505.52**	**2,72,480.98**	**23,549.25**	**42,607.47**	**9,40,143.22**
Financial liabilities					
Non-derivatives					
Debt Securities	86,486.58	59,381.56	55,603.91	3,184.65	**2,04,656.70**
Borrowings other than debt securities	2,84,924.68	1,12,330.44	26,634.18	21,749.76	**4,45,639.06**
Subordinated liabilities	12,625.29	16,944.48	10,421.85	35,917.48	**75,909.10**
Trade payables	1,141.67	-	-	-	**1,141.67**
Other payables	2,221.90	-	-	-	**2,221.90**
Other financial liabilities	23,915.30	-	-	-	**23,915.30**
Provision for compassionate	0.90	-	-	-	**0.90**
Total undiscounted financial liabilities	**4,11,316.32**	**1,88,656.48**	**92,659.94**	**60,851.89**	**7,53,484.63**
Net undiscounted financial assets/(liabilities)	**1,90,189.20**	**83,824.50**	**(69,110.69)**	**(18,244.42)**	**1,86,658.59**

As at March 31, 2020	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Financial assets					
Non-derivatives					
Cash and cash equivalents	1,17,741.99	-	-	-	**1,17,741.99**
Bank balances other than cash and cash equivalents	56,287.39	12,647.85	3,743.64	596.53	**73,275.41**
Trade receivables	1,232.97	-	-	-	**1,232.97**
Loans	3,00,605.67	2,37,872.22	19,155.68	49,772.41	**6,07,405.98**
Investments	25,059.74	-	-	-	**25,059.74**
Other financial assets	2,511.78	46.99	15.59	165.50	**2,739.86**
Derivatives (net settled)					
Derivative financial instruments	673.63	-	-	-	**673.63**
Total undiscounted financial assets	**5,04,113.17**	**2,50,567.06**	**22,914.91**	**50,534.44**	**8,28,129.58**
Financial liabilities					
Non-derivatives					
Debt Securities	35,443.60	22,338.26	29,047.84	19,666.99	**1,06,496.69**
Borrowings other than debt securities	2,74,412.20	1,22,432.35	51,726.44	16,149.71	**4,64,720.70**
Subordinated liabilities	12,014.40	10,031.87	18,914.85	45,882.24	**86,843.36**
Trade payables	932.09	-	-	-	**932.09**
Other payables	1,560.31	-	-	-	**1,560.31**
Other financial liabilities	19,395.35	49.05	-	-	**19,444.40**
Total undiscounted financial liabilities	**3,43,757.95**	**1,54,851.53**	**99,689.13**	**81,698.94**	**6,79,997.55**
Net undiscounted financial assets/(liabilities)	**1,60,355.22**	**95,715.53**	**(76,774.22)**	**(31,164.50)**	**1,48,132.03**

The management has announced moratorium for all the customers. The maturities of financial assets and liabilities, as above, are the amount due and payable only to the extent the contractual terms with borrowers and provider of finances were amended as at March 31, 2021 and as at March 31, 2020.

(All amounts in ₹ lakhs, unless otherwise stated)

C) Market risk

a) Foreign currency risk

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

Foreign currency risk exposure:

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

Particulars	Currency	As at March 31, 2021	As at March 31, 2020
Financial liabilities			
External commercial borrowings (including interest accrued)	USD	27,160.79	20,454.71
(Gain)/loss: Derivative contract		(34.13)	(673.63)

Sensitivity

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

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
USD sensitivity*		
INR/USD- increase by 5%	(1,358.04)	(1,022.74)
INR/USD- decrease by 5%	1,358.04	1,022.74

** Holding all other variables constant*

b) Interest rate risk

i) Liabilities

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. 'The Group's policy is to minimize interest rate cash flow risk exposures on long-term financing. As at March 31, 2021, the Group is exposed to changes in market interest rates through debt securities, other borrowings and subordinated liabilities at variable interest rates.

Interest rate risk exposure

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

Particulars	As at March 31, 2021	As at March 31, 2020
Variable rate liabilities		
Debt securities	-	-
Borrowings other than debt securities	1,57,166.93	2,16,680.13
Subordinated liabilities	20,000.00	-
Fixed rate liabilities		
Debt securities	1,71,003.09	86,386.14
Borrowings other than debt securities	2,37,535.11	1,94,782.48
Subordinated liabilities	32,407.85	56,302.54
Total	**6,18,112.98**	**5,54,151.29**

(All amounts in ₹ lakhs, unless otherwise stated)

Sensitivity

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

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest sensitivity*		
Interest rates – increase by 0.50%	741.05	863.16
Interest rates – decrease by 0.50%	(741.05)	(863.16)

* *Holding all other variables constant*

ii) Assets

The Group's fixed deposits are carried at amortized cost and are fixed and variable rate deposits. The Group is exposed to changes in MIBOR interest rates through fixed deposits at variable interest rates.

Interest rate risk exposure

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

Particulars	As at March 31, 2021	As at March 31, 2020
Fixed deposits- variable rate	-	53,102.70
Fixed deposits- fixed rate	1,32,244.44	71,536.43
	1,32,244.44	**1,24,639.13**

Sensitivity

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

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest sensitivity*		
Interest rates – increase by 1.00%	-	531.03
Interest rates – decrease by 1.00%	-	(531.03)

* *Holding all other variables constant*

c) Price risk

i) Exposure

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

ii) *Sensitivity*

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

Impact on profit / (loss) after tax

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Certificate of deposits and commercial paper		
Net assets value – increase by 5%	2.90	1,228.66
Net assets value – decrease by 5%	(2.90)	(1,228.66)

(All amounts in ₹ lakhs, unless otherwise stated)

44. CAPITAL MANAGEMENT

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

The Group's capital management objectives are

- to ensure the Group's ability to continue as a going concern

- to comply with externally imposed capital requirement and maintain strong credit ratings

- to provide an adequate return to shareholders

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

Particulars	As at March 31, 2021	As at March 31, 2020
Net debt*	4,30,141.47	3,71,914.21
Total equity	1,48,616.46	1,44,868.91
Net debt to equity ratio	**2.89**	**2.57**

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

45. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities analyzed according to when they are expected to be recovered or settled. Derivatives have been classified to mature and/or be repaid within 12 months, regardless of the actual contractual maturities.

Particulars	As at March 31, 2021		As at March 31, 2020	
ASSETS	**Within 12 months**	**After 12 months**	**Within 12 months**	**After 12 months**
Financial assets				
Cash and cash equivalents	1,16,403.35	-	1,17,698.47	-
Bank balances other than cash and cash equivalents	63,964.58	15,464.61	54,194.37	16,223.27
Derivative financial instruments	34.13	-	673.63	-
Trade receivables	1,945.52	-	1,232.97	-
Loans	3,03,774.98	2,77,340.62	2,31,444.53	2,62,666.64
Investments	58.06	-	24,573.21	-
Other financial assets	3,810.98	178.50	2,353.39	168.50
	4,89,991.60	**2,92,983.73**	**4,32,170.57**	**2,79,058.41**
Non-financial assets				
Current tax assets (net)	(804.46)	804.46	3,157.18	621.43
Deferred tax assets (net)	63.98	5,154.80	-	-
Property, plant and equipment	135.76	8,615.95	-	5,618.82
Capital work-in-progress	-	364.96	-	3,413.64
Investment Property	-	693.73		
Goodwill	-	3,370.66	-	3,370.66
Other intangible assets	7.36	303.55	-	405.61
Other non-financial assets	2,568.80	216.19	2,036.74	108.71
	1,964.09	**19,531.65**	**5,193.92**	**13,538.87**
TOTAL ASSETS	**4,91,955.69**	**3,12,515.38**	**4,37,364.49**	**2,92,597.28**

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2021		As at March 31, 2020	
LIABILITIES AND EQUITY	**Within 12 months**	**After 12 months**	**Within 12 months**	**After 12 months**
LIABILITIES				
Financial liabilities				
Payables				
Trade payables				
(i) total outstanding dues of micro enterprises and small enterprises	10.84	-	83.62	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1,130.83	-	848.47	-
Other payables				
(i) total outstanding dues of micro enterprises and small enterprises	223.90	-	227.71	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1,998.00	-	1,332.60	-
Debt securities	66,916.08	1,04,087.01	26,462.05	59,924.09
Borrowings (other than debt securities)	2,54,497.17	1,40,204.87	2,39,841.10	1,71,621.51
Subordinated liabilities	5,425.18	46,982.67	4,185.84	52,116.70
Other financial liabilities	31,738.62	37.71	25,459.86	72.47
	3,61,940.62	**2,91,312.26**	**2,98,441.25**	**2,83,734.77**
Non-financial liabilities				
Current tax liabilities (net)	87.90	-	-	-
Deferred tax liabilities (net)	-	-	-	727.90
Provisions	88.72	1,554.13	269.62	1,016.09
Other non-financial liabilities	866.28	4.70	892.08	11.15
	1,042.90	**1,558.83**	**1,161.70**	**1,755.14**
TOTAL LIABILITIES	**3,62,983.52**	**2,92,871.09**	**2,99,602.95**	**2,85,489.91**
Net equity	**1,28,972.17**	**19,644.29**	**1,37,761.54**	**7,107.37**

46. TRANSFERRED FINANCIAL ASSETS

In the course of its micro finance activity, the Holding Company transfers financial assets, where legal rights to the cash flows from the asset are passed to the counterparty and where the Holding Company retains the rights to the cash flows but assumes a responsibility to transfer them to the counterparty.

The Holding Company has securitized its loan assets to unrelated and unconsolidated entities. As per the terms of the agreements, the Holding Company is exposed to first loss default guarantee amounting in the range of 12% to 18% of the amount securitized and therefore continues to be exposed to significant risk and rewards relating to the underlying mortgage receivables. Hence, these loan assets are not derecognized and proceeds received are presented as borrowings.

The following tables provide a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities:

Securitizations	As at March 31, 2021	As at March 31, 2020
Gross carrying amount of securitized assets	7,184.45	4,632.10
Gross carrying amount of associated liabilities	5,501.35	3,910.50
Carrying value and fair value of securitized assets	6,870.23	4,569.17
Carrying value and fair value of associated liabilities	5,501.35	3,910.50
Net position	**1,368.88**	**658.67**

(All amounts in ₹ lakhs, unless otherwise stated)

47. EMPLOYEE BENEFITS

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

A Defined contribution plans

Provident and other funds

The Group makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund and other funds which are defined contribution plans. The Group has no obligations other than this to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as these accrue.

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Employers contribution to provident and other fund	2,696.55	3,642.64

B Defined benefit plans

Gratuity

The holding company and one of its subsidiary company has a defined benefit gratuity plan. Every employee is entitled to gratuity as per the provisions of the Payment of Gratuity Act, 1972. The scheme is funded and the scheme is managed by Life Insurance Corporation of India ("LIC"). The liability of Gratuity is recognized on the basis of actuarial valuation.

Risks associated with plan provisions

Salary increases	Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
Investment risk	If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
Discount rate	Reduction in discount rate in subsequent valuations can increase the plan's liability.
Mortality & disability	Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
Withdrawals	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

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

Particulars	As at March 31, 2021	As at March 31, 2020
Present value of obligation	1,498.59	1,311.89
Fair value of plan assets	1,530.67	1,484.39
Net obligation recognized in balance sheet as non-financial assets	**(32.08)**	**(172.50)**

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

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Current service cost	271.13	248.35
Past service cost including curtailment gains/losses	-	0.20
Interest cost on defined benefit obligation	82.00	85.31
Interest income on plan assets	(93.66)	(52.90)
Net impact on profit / (loss) (before tax)	**259.47**	**280.95**

Amount recognized in the other comprehensive income:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Actuarial gain/(loss) unrecognized during the year	(111.96)	126.65

(All amounts in ₹ lakhs, unless otherwise stated)

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

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Present value of defined benefit obligation as at the beginning of year	1,311.89	1,235.26
Current service cost	271.13	248.35
Interest cost	88.68	94.62
Past service cost including curtailment gains/losses	-	0.20
Benefits paid	(227.05)	(130.64)
Actuarial loss/(gain) on obligation		
Actuarial (gain)/loss on arising from change in demographic assumption	-	(261.91)
Actuarial (gain)/loss on arising from change in financial assumption	1.77	(311.67)
Actuarial loss on arising from experience adjustment	52.17	437.69
Present value of defined benefit obligation as at the end of the year	**1,498.59**	**1,311.89**

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

Particulars	As at March 31, 2021	As at March 31, 2020
Funds managed by LIC of India	100%	100%
Total	**100%**	**100%**

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

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Fair value of plan assets at beginning of year	1,484.39	812.07
Actual return on plan assets	107.30	81.39
Employer's contribution	231.00	750.00
Fund management charges	(64.97)	(28.43)
Benefits paid	(227.05)	(130.64)
Expected return on plan assets	-	-
Actuarial loss/(gain) on plan assets	-	-
Fair value of plan assets at the end of the year	**1,530.67**	**1,484.39**

(vi) Actuarial assumptions

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Discounting rate	6.76%	4.66%
Future salary increase	4.00% - 8.00%	4.00% - 10.00%
Retirement age (years)	58 - 60	58 - 60
Withdrawal rate		
Up to 30 years	56.21% - 5.00%	56.21% - 5.00%
From 31 to 44 years	43.75% - 3.00%	43.75% - 3.00%
Above 44 years	50.00% - 0.00%	50.00% - 2.00%
Weighted average duration	1.36 - 17.58	1.36 - 16.96

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

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

(vii) Sensitivity analysis for gratuity liability

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Impact of the change in discount rate		
Present value of obligation at the end of the year	1,498.59	1,311.89
- Impact due to increase of 0.50%	(17.43)	(15.77)
- Impact due to decrease of 0.50%	18.01	16.26
Impact of the change in salary increase		
Present value of obligation at the end of the year	1,498.59	1,311.89
- Impact due to increase of 0.50%	18.36	16.61
- Impact due to decrease of 0.50%	(17.94)	(16.26)

(All amounts in ₹ lakhs, unless otherwise stated)

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

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

(viii) Maturity profile of defined benefit obligation (discounted)

year	As at March 31, 2021 Amount	As at March 31, 2020 Amount
0 to 1 year	540.52	440.94
1 to 2 year	296.01	277.69
2 to 3 year	197.08	180.38
3 to 4 year	130.51	117.54
4 to 5 year	83.42	76.20
5 to 6 year	54.06	49.13
6 year onwards	196.99	170.01
Total	**1,498.59**	**1,311.89**

48. RELATED PARTY DISCLOSURES

A List of related parties and disclosures

Key managerial personnel and their relatives:

Name of key managerial personnel	Designation	Relatives
Mr. Harvinder Pal Singh	Chairman cum Managing Director	Mr. Satvinder Singh Mrs. Anureet H P Singh Mrs. Ashna Pruthi
Mr. Jugal Kataria (w.e.f. January 13, 2020)	Group Controller	
Mr. Jugal Kataria (till January 12, 2020)	Chief Financial Officer	
Mr. Krishan Gopal (W.e.f. January 13, 2020 to December 12, 2020)	Chief Financial Officer	
Mr. Rakesh Sachdeva (w.e.f. December 13, 2020)	Chief Financial Officer	
Mr. Choudhary Runveer Krishanan (till August 26, 2019)	Company Secretary and Compliance Officer	
Mr. Adhish Swaroop (w.e.f. October 14, 2019 to May 11, 2021)	Company Secretary and Compliance Officer	
Mr. Vipul Sharma (w.e.f. May 12, 2021)	Company Secretary and Compliance Officer	
Mr. Satvinder Singh	Non-Executive and Non-Independent Director	
Mr. Rakesh Sachdeva (till November 4, 2020)	Non-Executive and Independent Director	
Mr. Sundeep Kumar Mehta	Non-Executive and Independent Director	
Mr. Sanjay Kumar Bhatia	Non-Executive and Independent Director	
Mr. Anil Kumar Kalra	Non-Executive and Independent Director	
Mr. Davis Frederick Golding (till April 12, 2019)	Non-Executive and Independent Director	
Mr. Arthur Sletteberg (till May 30, 2020)	Nominee Director	
Mr. Chrisitan Bernhard Ramm (w.e.f. May 30, 2020)	Nominee Director	
Mr. Goh Colin	Non-Executive and Independent Director	
Mrs. Sangeeta Khorana	Non-Executive and Independent Director	
Mr. Daniel Simpson Jacobs (till March 03, 2020)	Nominee Director	
Mr. Rajeev Kakar (w.e.f. June 06, 2019 to April 30, 2020)	Nominee Director	
Mrs. Ashna Pruthi (w.e.f. November 5, 2020 to January 6, 2021)	General Manager - Legal	

(All amounts in ₹ lakhs, unless otherwise stated)

Name of key managerial personnel	Designation	Relatives
Taraashna Financial Services Limited		
Mr. Abhay Thakkar (till April 10, 2020)	Chief Financial Officer	
Mr. Rahul Garg (w.e.f. June 03, 2020)	Chief Financial Officer	
Mr. Prashant Sharma (till October 25, 2019)	Company secretary and Compliance officer	
Mr. Manoj Kumar Jasoria (w.e.f. October 25, 2019)	Company secretary and Compliance officer	
Mr. Sanjeev Vij (till October 14, 2019)	Chief Executive Officer & Whole Time Director	
Mr. Partha Sengupta (w.e.f. October 14, 2019 till February 10, 2021)	Chief Executive Officer & Whole Time Director	
Mr. Partha Mukherjee (w.e.f. February 11, 2021)	Chief Executive Officer & Whole Time Director	
Satin Housing Finance Limited		
Mr. Sachin Sharma	Chief Financial Officer	
Mr. Prince Kumar (w.e.f. April 1, 2019)	Company secretary and Compliance officer	
Mr. Amit Sharma	Whole Time Director and Chief Executive Officer	
Satin Finserv Limited		
Mr. Jitendra Jain	Chief Financial Officer	
Mrs. Bhanu Priya (till March 30, 2021)	Company secretary and Compliance officer	
Mr. Puneet Jolly (w.e.f. March 31, 2021)	Company secretary and Compliance officer	
Mr. Sumit Mukherjee	Director & Chief Executive Officer	

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

Satin Neo Dimensions Private Limited

Niryas Food Products Private Limited

Rental Stay Private Limited

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

Name of related party	Nature of transaction	For the year ended March 31, 2021	For the year ended March 31, 2020
Mr. Harvinder Pal Singh	Remuneration	136.72	226.54
	Provident fund and others	17.99	65.34
	Personal guarantees withdrawn	-	700.00
Mr. Satvinder Singh	Personal guarantees given	30,000.00	-
Mr. Harvinder Pal Singh and Mr. Satvinder Singh	Personal guarantees given (jointly)	-	66,769.10
	Personal guarantees withdrawn (jointly)	6,410.55	-
Mr. Jugal Kataria	Remuneration	95.76	105.35
Mr. Rakesh Sachdeva	Remuneration	30.88	-
Mr. Krishan Gopal	Remuneration	40.84	11.08
Mr. Choudhary Runveer Krishanan	Remuneration	-	16.12
Mr. Adhish Swaproop	Remuneration	25.03	12.91
Mrs. Ashna Pruthi	Remuneration	2.58	-
Mr. Partha Sengupta (w.e.f. October 14, 2019 till February 10, 2021)	Remuneration	45.27	26.81
Mr. Partha Mukherjee (w.e.f. February 11, 2021)	Remuneration	6.26	-
Mr. Sanjeev Vij (till October 15, 2019)	Remuneration	-	69.26
Mr. Abhay Thakkar (till April 10, 2020)	Remuneration	0.32	14.57
Mr. Rahul Garg (w.e.f. June 03, 2020)	Remuneration	11.14	-
Mr. Prashant Sharma (till October 25, 2019)	Remuneration	-	5.14

(All amounts in ₹ lakhs, unless otherwise stated)

Name of related party	Nature of transaction	For the year ended March 31, 2021	For the year ended March 31, 2020
Mr. Manoj Kumar Jasoria (w.e.f. October 25, 2019)	Remuneration	8.09	3.81
Mr. Amit Sharma	Remuneration	57.60	78.37
Mr. Sachin Sharma	Remuneration	23.98	27.91
Mr. Prince Kumar	Remuneration	8.53	8.50
Mr. Sumit Mukherjee	Remuneration	70.00	80.00
Mr. Jitendra Jain	Remuneration	23.56	25.15
Mrs. Bhanu Priya	Remuneration	7.31	7.69
Mr. Puneet Jolly	Remuneration	0.84	-
Mr. Satvinder Singh	Sitting fees	5.75	3.55
Mr. Rakesh Sachdeva	Sitting fees	4.05	2.30
Mr. Sundeep Kumar Mehta	Sitting fees	7.70	4.00
Mrs. Sangeeta Khorana	Sitting fees	4.40	2.10
Mr. Goh Colin	Sitting fees	3.90	1.60
Mr. Sanjay Kumar Bhatia	Sitting fees	5.50	2.45
Mr. Anil Kumar Kalra	Sitting fees	4.15	2.35
Rental Stay Private Limited	Interest income	-	17.11
	Inter corporate loan received back	-	135.50
Satin Neo Dimensions Private Limited	Interest income	28.64	28.82
	Inter corporate loan given	150.00	-
	Inter corporate loan received back	31.11	19.62
	Repayment of security deposit	4.00	-
	Purchase of property, plant & equipment (WIP)	207.66	441.90
Niryas Food Products Private Limited	Rent received	5.80	5.23
	Office expenses	-	0.23
	Received amount of loan instalment deducted from creditors of milk product	-	38.15

C Key management personnel compensation includes the following expenses:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Short-term employee benefits	610.12	784.55
Post employment benefits	17.28	154.94
Other long-term benefits	22.81	22.95
Share based payment	(11.88)	54.57

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

Name of related party	Nature of balance	As at March 31, 2021	As at March 31, 2020
Mr. Satvinder Singh	Personal guarantees	30,000.00	-
Mr. Harvinder Pal Singh and Mr. Satvinder Singh	Personal guarantees (jointly)	1,57,405.55	1,63,816.10
Mr. Goh Colin	Sitting fees	0.34	0.60
Satin Neo Dimensions Private Limited	Inter corporate loan*	253.00	127.49
	Other Payable	27.52	65.49
	Security deposit payable	-	4.00
	Interest accrued	3.86	2.23
Niryas Food Products Private Limited	Security deposit payable	0.34	0.34

* During the financial year 2020-21, inter corporate laon includes interest capitalization on moratorium.

(All amounts in ₹ lakhs, unless otherwise stated)

49. LEASES DISCLOSURE AS LESSEE

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

Right-of use assets	No. of right-of use assets leased	Range of remaining term	Average remaining lease term	No. of leases with extension options	No. of leases with purchase options	No. of leases with variable payments linked to an index	No. of leases with termination options
Office building	105	8 Months-90 Months	9 Months-35 Months	105	-	-	105

2 Additional information on the Right-Of-Use assets by class of assets is as follows:

Right-of use assets	Carrying amount as on April 1, 2020	Additions	Depreciation	Impairment	Carrying amount as on March 31, 2021
Office building	1,032.40	213.56	401.38	59.14	785.44

Note: The right-of-use assets are included in the same line item as where the corresponding underlying assets would be presented if they were owned.

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

Particulars	As At March 31, 2021	As At March 31, 2020
Current	254.57	331.42
Non-current	623.16	759.53
Total	**877.73**	**1,090.95**

4 At March 31, 2021 the Group had not committed to leases which had not commenced.

5 The undiscounted maturity analysis of lease liabilities at March 31, 2021 is as follows:

Particulars	Less than 1 year	1-2 year	2-3 year	More than 3 years
Lease payments	335.83	271.22	216.51	265.26
Finance charges	81.26	55.40	35.81	38.62
Net present values	**254.57**	**215.82**	**180.70**	**226.64**

6 The Group has elected not to recognize 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 recognized as lease liabilities and are expensed as incurred.

7 The Group had total cash outflows for leases of ₹ 2142.73 lakhs in March 31, 2021 (March 31, 2020: ₹ 2,301.63 lakhs).

The following are the amounts recognized in profit or loss:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation expense of right-of-use assets	401.38	606.20
Interest expense on lease liabilities	99.40	188.20
Expense relating to short-term leases (included in other expenses)	1,692.12	1,611.95
Total amount recognized in profit or loss	**2,192.90**	**2,406.35**

The Group has lease contracts for for office buildings used in its operations. Leases of these buildings generally have lease terms between 1 and 9 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets. There are several lease contracts that include extension and termination options, which are further discussed below.

The Group 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 Group's business needs. Management exercises significant judgment in determining whether these extension and termination options are reasonably certain to be exercised.

The Group does not have any lease contracts that contain variable payments.

The Group does not anticipate any material leases to be terminated in next three years or beyond that.

(All amounts in ₹ lakhs, unless otherwise stated)

Operating leases

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

Office premises and generator

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Short term leases	1,992.41	2,144.53

Particulars	As at March 31, 2021	As at March 31, 2020
Minimum lease obligations:		
- within one year	65.38	118.58
- Later than one year but not later than five years	9.30	53.09
- Later than five years	-	-

50. SEGMENT INFORMATION

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

51. CONTINGENT LIABILITIES AND COMMITMENTS:

(to the extent not provided for)

The Holding Company has received income tax notice under section 143(3) of the “Income Tax Act 1961” dated April 05, 2021 for tax demand amounting to ₹ 194.63 lakhs on account of disallowance of expenses under section 43B and 36(1)(va) for Assessment year 2018-19. In response to such notice, the Holding Company is in process of filling appeal to NATIONAL FACELESS APPEAL CENTER (NFAC).

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Estimated amount of contract remaining to be executed on capital account and not provided for	242.83	765.13
The Group has undrawn exposure towards borrowers	1,862.91	1,518.45
Total	**2,105.74**	**2,283.58**

52. ASSETS PLEDGED/HYPOTHECATED AS SECURITY

The carrying amounts of assets pledged/hypothecated as security are:

Particulars	As at March 31, 2021	As at March 31, 2020
Loan assets	4,98,139.94	4,03,307.38
Vehicles	95.47	83.19
Buildings	159.11	167.26
Total assets pledged as security	**4,98,394.52**	**4,03,557.83**

(All amounts in ₹ lakhs, unless otherwise stated)

53. HEDGING STRATEGY

The Group's hedging strategy is to manage its exposure to interest rate risk on a net variable basis in INR for US $ denominated exposures this requires the Group to enter into interest rate swaps where the exposure is to a fixed interest rate. Foreign currency exposures are swapped to ₹ exposures using cross-currency interest rate swaps. These are fixed-to-fixed cross currency swaps.

Not all exposures are automatically managed under the above strategy. Where a risk is within acceptable limits the Group may decide not to apply hedge accounting to that risk. Instead, the Group will manage its exposure under broader risk management processes.

The Holding Company has opted for hedge accounting in previous year for one the the hedged item as mentioned below. Basis on the quarterly hedge effectiveness assessment it has been noted that the hedging relationship is no longer highly effective and therefore, hedge relationship is discontinued. Fluctuation in foreign currency exchange rates and interest rates globally has led to the ineffectiveness that is expected to affect the hedging relationship during the term of said hedge. Hence, during the year the said hedge accounting is discontinued, however, the disclosures continued pertains to the previous year.

The following table shows the maturity profile of hedging derivatives based on their notional amounts.

Particulars	As at March 31, 2021				As at March 31, 2020			
	0 to 12 months	1 to 5 years	Over 5 years	Total	0 to 12 months	1 to 5 years	Over 5 years	Total
Cross currency interest rate swaps				-	-	6,487.41	-	6,487.41

Hedged Item	Actual hedging instrument
Particulars of hedged item are given below: Notional: USD 9,400,000 Interest: 5.93% Interest Payment Frequency: Semi - Annual Start Date: 24-Jul-19 Maturity: 05-Aug-22 Day count convention: 30E/360 Principal Amortization: No	Particulars of Hedging instrument are given below: Start date: 24-Jul-19 End Date: 05-Aug-22 Leg1: Pay: Fixed Currency: INR Notional: 6,487.41 lakhs Interest: 11.18% Interest payment frequency: Semi-Annual Day Count Convention: Act / 365 Principal Amortization: No Principal exchange: At maturity Leg 2: Receive: Fixed Currency: USD Notional: USD 9,400,000 Interest: 5.93% Interest Payment Frequency: Semi – Annual Day Count Convention: 30E/360 Principal Amortization: No Principal exchange: At maturity

Hedge Effectiveness Assessment

The prospective hedge effectiveness test shall be done on the date of designation of the hedge by i) comparing the critical terms of the hedging instrument and the hedged item (Qualitative) and ii) by performing Sensitivity Analysis by shifting the spot (+/- 5%) and interest rates (+/- 50 bps) (Quantitative). The hedging relationship will be considered effective if the following three requirements are met:

(All amounts in ₹ lakhs, unless otherwise stated)

1) There is an economic relationship between the hedged item and the hedging instrument.
2) The effect of credit risk does not dominate the value changes that result from that economic relationship.
3) The hedge ratio of the hedging relationship is the same as that resulting from the quantity of hedged item that the entity actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item. The hedge ratio should not be intentionally weighted to create effectiveness.

The hedge ineffectiveness testing shall be performed at each reporting date using Dollar Offset Method. Effectiveness will be determined by using lower of two-test. The change in fair value of hedge instrument is compared with change in fair value of hedge item and lower of the two values (absolute) is taken to the cash flow hedge reserve. The left-out portion of change in fair value of hedging instrument (if any) is taken to Statement of Profit and Loss.

Market risk

Price risk

The Group's hedging policy only allows for effective hedge relationships to be established. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Group enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item, and so a qualitative assessment of effectiveness is performed. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the Group uses the hypothetical derivative method to assess effectiveness.

Ineffectiveness is recognized on a cash flow hedge where the cumulative change in the designated component value of the hedging instrument exceeds on an absolute basis the change in value of the hedged item attributable to the hedged risk. In such cases, ineffectiveness may arise if:

(a) The critical terms of the hedging instrument and the hedged item differ (i.e. nominal amounts, timing of the forecast transaction, interest resets changes from what was originally estimated), or
(b) differences arise between the credit risk inherent within the hedged item and the hedging instrument.

During the year ended March 31, 2021, Hedge accounting has been discountinued on account of ineffectiveness, there were no ineffectiveness recognized in the Statement of Profit and Loss during March 31, 2020

Cash flow hedges - Foreign currency risk

The Group is exposed to foreign currency risk arising from its fixed rate ECB amounting to $ 94,00,000. Interest on the borrowing is payable at a fixed rate of 5.93% p.a. and the principal amount is repayable on August 5, 2020. The Group economically hedged the foreign currency risk arising from the debt with a 'receive fixed pay fixed' cross currency interest rate swap ('swap') on July 24, 2019. The notional amount of swap is ₹ 6,487.41 lakhs. The swap contract converts the cash outflows of the foreign currency fixed rate borrowing of $ 94,00,000 to cash outflows in ₹ with a notional amount of ₹ 6,487.41 lakhs and fixed interest of 11.18% p.a.

There is an economic relationship between the hedged item and the hedging instrument as the terms of the cross currency swap contract match that of the foreign currency borrowing (notional amount, interest payment dates, principal repayment date etc.). The Group has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the cross currency swap are identical to the hedged risk components. To test the hedge effectiveness, the Group uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

The hedge ineffectiveness can arise mainly if there is a change in the credit risk of the Group or the counterparty.

As mentioned previously above, due the hedge ratio has become ineffective in current year, the hedge accounting is discontinued. Therefore, below disclosures continued pertains to the previous year.

The impact of the hedging instruments on the Balance Sheet is, as follows

Particulars	As at March 31, 2020			
	Notional amounts	Carrying amount	Line item in the statement of financial position	Change in fair value used for measuring ineffectiveness for the period
Swap	6,487.41	626.34	Derivative asset	577.86

(All amounts in ₹ lakhs, unless otherwise stated)

The impact of hedged items on the Balance Sheet is, as follows:

Particulars	As at March 31, 2020		
	Change in fair value used for measuring ineffectiveness	Cash flow hedge reserve as at March 31, 2020	Cost of hedging as at March 31, 2020
US$ denominated fixed rate borrowing	(577.86)	69.87	-

The effect of the cash flow hedge in the Statement of Profit or Loss and Other Comprehensive Income is, as follows:

Particulars	As at March 31, 2020						
	Total hedging gain / (loss) recognized in OCI	Ineffective-ness recognized in profit or loss	Line item in the statement of profit or loss	Cost of hedging recognized in OCI	Amount reclassified from OCI to profit or loss	Cost of hedge reclassified from OCI to profit or loss	Line item in the statement of profit or loss
US$ denominated fixed rate borrowing	(577.86)	-	N/A	-	-	-	501.85

Movements in cash flow hedging reserve

As mentioned previously above, due the hedge ratio has become inneffective in current year, the hedge accounting is discontinued. Below table represents the movement in hedge reserve.

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Derivative instruments		
Add: Changes in fair value of cross currency interest rate swaps	6,487.41	626.34
Less: Translation loss on loan	-	(598.86)
Add: Interest expense on borrowing	(6,553.30)	65.89
Add: Deferred tax relating to above	16.58	(23.50)
Amount recognized in the other comprehensive income:	(49.31)	69.87

Terms and conditions of financial instruments

Entities shall disclose sufficient information that enables users of its financial statements to evaluate the significance of financial instruments for its financial position and performance and the nature and extent of risks arising from these financial instruments. Under normal circumstances entities may not be required to disclose the significant terms and conditions for each of their major borrowings. Nevertheless, if an entity has a borrowing or other financial instrument with unusual terms and conditions, then some information should be provided to enable users to assess the nature and extent of risks associated with these instruments.

54. IMPACT OF COVID-19 PANDEMIC

The COVID-19 pandemic has continued to cause a significant disruption of the economic activities across the globe including India throughout the year, with second wave of the pandemic emerging towards the later part of the financial year in India. The Government of India announced a nation-wide lockdown to contain the spread of the virus which continued till May 31, 2020. Subsequently, various state governments and local statutory authorities imposed restrictions on economic activities in different parts of the country which continued to impact Group's operations including lending and collection activities. Further, pursuant to the Reserve Bank of India ('RBI') COVID-19 Regulatory package issued vide circulars dated March 27, 2020 and May 23, 2020 which allowed lending institutions to offer moratorium to borrowers on payment of Installments falling due between March 1, 2020 and August 31, 2020, and consequently the Group had offered a moratorium to its eligible borrowers until August 31, 2020.

In assessing the impairment allowance for loan portfolio, the Group has considered internal and external sources of information available including indicators of deterioration in the macro-economic factors. Further, the management has estimated the impact of the ongoing second wave of the pandemic on its loan portfolio, based on reasonable and supportable information available till date and considering performance after the first wave, and has noted that the existing provisioning levels are adequate to cover any further delinquencies. Given the unique nature and scale of this pandemic, its full extent of impact on the Group's operations and financial metrics, more specifically on the borrower's ability to service their obligations on a timely basis, will depend on the severity and duration of the pandemic as well as on highly uncertain future developments including governmental and regulatory measures and the Group's responses thereto. Accordingly, the management's estimate of impairment losses based on various variables and assumptions could result in actual credit loss being different than that being estimated.

The Group has assessed the impact of the pandemic on its liquidity and ability to repay its obligations as and when they are due. The Group has considered its current liquidity position, expected inflows from various sources of borrowings and stimulus packages announced by the Government of India. Based on the foregoing, management believes that the Group will be able to pay its obligations as and when these become due in the foreseeable future. The impact of the pandemic on the operations of the Group are significantly dependent on uncertain future economic conditions.

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

The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, investments, property plant and equipment and intangible assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Group, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts and consensus estimates from market sources on the expected future performance of the Group. Given the dynamic nature of the pandemic situation, these estimates are based on early indicators, subject to uncertainty and may be affected by the severity and duration of the pandemic and the actual impact of the pandemic, including governmental and regulatory measures, on the business and financial metrics of the Group (including credit losses) could be different from that estimated by the Group.

ii Loss allowance for loans

Pursuant to the Reserve Bank of India circulars dated March 27, 2020 and May 23, 2020 allowing lending institutions to offer moratorium to borrowers on payment of installments falling due between March 1, 2020 and August 31, 2020, the Group has extended moratorium to its borrowers in accordance with its Board approved policy. In management's view, providing moratorium to borrowers at a large scale based on RBI directives, by itself is not considered to result in a significant increase in credit risk ("SICR") for such borrowers. Accordingly, considering the unique and widespread impact of COVID-19 pandemic, the Group has estimated expected credit loss allowance in its provision, based on information available at this point in time to reflect, among other things, the deterioration in the macro-economic factors.

iii Loss allowance for other receivables

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

iv Revenue from operations

The Group has evaluated the impact of COVID – 19. Due to the nature of the pandemic, the Group will continue to monitor developments to identify significant uncertainties relating to revenue in future periods. For all loan accounts where the moratorium was granted, the asset classification remained stand still during the moratorium period (i.e. the number of days past due shall exclude the moratorium period for the purposes of asset classification under the Income Recognition, Asset Classification and Provisioning norms).

v Impairment assessment of Property plant and equipment, intangible assets

The Group is engaged primarily in providing micro finance services to women in the rural areas of India who are enrolled as members and organized as Joint Liability Groups ('JLG'). Considering the nature of business the Group does not have major Property, Plant & Equipment assets. As at March 31, 2021, the estimated recoverable amount of the CGU exceeded its carrying amount. Reasonable sensitivities in key assumptions consequent to the change in estimated future economic conditions on account of possible effects relating to Covid 19 is unlikely to cause the carrying amount to exceed the recoverable amount of the cash generating unit.

vi Credit risk on cash and cash equivalents

Credit risk on cash and cash equivalents is limited as the Group generally invest in deposits with banks, commercial papers and certificate of deposits of financial institutions with high ratings assigned by international and domestic credit rating agencies. Ratings and Financials of the counterparties are monitored periodically. Group also invests in mutual funds and reviews the portfolio on regular basis. Mutual Funds with high quality portfolios are preferred. Group has

(All amounts in ₹ lakhs, unless otherwise stated)

considered the latest available credit ratings in view of COVID – 19 as at the date of approval of these financial statements. The Group has assessed the impact of the COVID- 19 pandemic on its liquidity and ability to fulfill its obligations as and when they are due and has evaluated the asset-liability maturity (ALM) pattern in various time buckets as prescribed under the guidelines issued by the RBI. Pursuant to the order issued by the Ministry of Home Affairs on April 15, 2020 allowing microfinance companies to start operations, the Group resumed operations by complying with the regulatory guidelines on businesses, social distancing etc. Our employees were able to meet and collect installments from those borrowers willing to repay, due to minimal impact of the lockdown on them as observed since the resumption of operations, the management is confident that collections will continue to improve, albeit likely to be at a lower level than earlier. Based on the foregoing, current liquidity position and necessary stress tests considering various scenarios, management is confident that the Group will be able to fulfill its obligations as and when these become due in the foreseeable future.

vii Credit risk on loans

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

During the year ended as at March 31, 2021, The Group has restructured MSME loans amounting to ₹ 1,379.68 lakhs and therefore the Group has considered these loans for significant increase in credit risk assessment. The Group has made additional ECL to the tune of ₹ 91.78 lakhs on these loans on account of SICR provisioning. Also, the Group has made additonal provision to the tune of ₹ 4,361.14 lakhs on JLG loans where the Group has provided additional support/re-finance to such borrowers, considering thier repayment behavior during and after moratorium period till the date of additional support / re-finance.

55. In accordance with notification no. RBI/2021-22/17 DOR.STR.REC.4/21.04.048/2021-22 dated April 7, 2021 issued by the RBI, all lending institutions shall refund/adjust 'interest on interest' amounting to ₹ 31.34 lakhs to all borrowers including those who had availed working capital facilities during the moratorium period, irrespective of whether moratorium had been fully or partially availed, or not availed. Pursuant to these instructions, the Indian Banks Association (IBA) in consultation with other industry participants/bodies published the methodology for calculation of the amount of such 'interest on interest'. Accordingly, the Group has estimated the said amount and made provision for refund/adjustment in these financial results

56. During the year the Holding Company and its subsidiaries have restructured SME loans in accordance with the RBI circular RBI/2020-21/17 DOR.No.BP.BC/4/21.04.048/2020-21 dated August 6, 2020 as presented in below table:

Type of borrower	(A)	(B)
	Number of accounts where resolution plan has been implemented under this window	exposure to accounts mentioned at (A) before implementation of the plan
MSME Borrowers	135	1,379.68

(All amounts in ₹ lakhs, unless otherwise stated)

57. INTEREST IN OTHER ENTITIES

Subsidiaries

Name of entities	Country of incorporation	Functional currency	Ownership interest held by the Group		Principal activities
			As at March 31, 2021	As at March 31, 2020	
Taraashna Financial Services Limited	India	INR	100.00%	100.00%	Business correspondent
Satin Housing Finance Limited	India	INR	100.00%	100.00%	Financing
Satin Finserv Limited	India	INR	100.00%	100.00%	Financing

Subsidiary with material non-controlling interests (NCI)

No subsidiary company has non-controlling interests that are material to the group for the year ended March 31, 2021 and March 31, 2020.

58. ADDITIONAL INFORMATION IN PURSUANT TO SCHEDULE III OF THE COMPANIES ACT, 2013

Name of the entity in the group	Net assets (total assets minus total liabilities)		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit and loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Holding Company								
Satin Creditcare Network Limited	100.33%	1,49,105.23	96.94%	(1,355.49)	99.48%	(3,473.87)	98.75%	(4,829.36)
Indian Subsidiaries								
Taraashna Financial Services Limited	3.08%	4,584.69	36.00%	(503.41)	0.49%	(17.01)	10.64%	(520.42)
Satin Housing Finance Limited	6.27%	9,324.43	-9.82%	137.27	0.09%	(3.16)	-2.74%	134.11
Satin Finserv Limited	7.16%	10,646.14	-34.17%	477.82	-0.05%	1.87	-9.81%	479.69
Elimination	-16.85%	(25,044.03)	11.04%	(154.41)	-	-	3.16%	(154.41)
Total	**100.00%**	**1,48,616.46**	**100.00%**	**(1,398.22)**	**100.00%**	**(3,492.17)**	**100.00%**	**(4,890.39)**

(All amounts in ₹ lakhs, unless otherwise stated)

59. EMPLOYEE STOCK OPTION PLAN / SCHEME (ESOP/ ESOS)

Pursuant to the approval accorded by shareholders of Satin Creditcare Network Limited ('Holding Company")at their Annual General Meeting held on July 6, 2017, the Nomination and Remuneration Committee of the Holding Company formulated a new scheme 'Satin Employee Stock Option Scheme 2017' (ESOS 2017) in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. ESOS is applicable to all permanent and full-time employees (as defined in the Plan), excluding promoters of the Holding Company. The eligibility of employees to receive grants under the Plan has to be decided by the Nomination and Remuneration Committee from time to time at its sole discretion. Vesting of the options and vesting period shall take place in the manner determined by the Nomination and Remuneration Committee at the time of grant. Vesting of options shall be subject to the condition that the Grantee shall be in continuous employment with the Company and such other conditions as provided under ESOS 2017. The Exercise Price of each grant is determined by the Nomination and Remuneration Committee at the time of grant.

Presently, stock options have been granted or shares have been issued under the following scheme:

A. Satin Employee Stock Option Scheme 2009 (ESOS 2009)

B. Satin Employee Stock Option Scheme 2017 (ESOS 2017)

a) Employee stock option schemes:

ESOS 2009: Initially 425,000 equity shares of ₹ 10 each at a premium of ₹ 10 each were allotted to Satin Employees Welfare Trust on November 27, 2009. (This scheme was terminated vide Shareholders Resolution dated July 6, 2017)

Details of grant and exercise of such options are as follows:

Particulars	Grant – 1 of ESOS 2009			Grant – 2 of ESOS 2009			Grant – 3 of ESOS 2009		
No. of options granted	1,50,000			98,300			87,900		
Date of grant of options	January 12, 2010			December 2, 2013			December 2, 2016		
No. of employee to whom such options were granted	2			29			36		
Financial year (F.Y.)	F.Y. 2010-11	F.Y. 2011-12	F.Y. 2012-13	F.Y. 2014-15	F.Y. 2015-16	F.Y. 2016-17	F.Y. 2017-18	F.Y. 2018-19	F.Y. 2019-20
No. of employees who have exercised the option	2	2	2	25	23	23	22	18	15
No. of options exercised	50,000	50,000	50,000	25,824	22,633	27,243	21,100	19,300	13,300

Note: There was NIL options vested in F.Y. 2013-14.

Satin ESOP 2010: 100,000 equity shares of ₹ 10 each at a premium of ₹ 12 were allotted to Satin Employees Welfare Trust on June 22, 2010 (The scheme was terminated vide Shareholders Resolution dated July 6, 2017 and the outstanding options were transferred to Satin ESOS 2017).

Satin ESOP II 2010: 150,000 equity shares of ₹ 10 each at a premium of ₹ 15 were allotted to Satin Employees Welfare Trust on April 21, 2011 (The scheme was terminated vide Shareholders Resolution dated July 6, 2017 and the outstanding options were transferred to Satin ESOS 2017).

ESOS Scheme 2017: All options not exceeding 3,61,400 representing 0.96% of the paid-up Capital of the Holding Company as on March 31, 2017 (or such other adjusted figure for any bonus, stock splits or consolidations or other reorganization of the capital structure of the Holding Company as may be applicable from time to time including the shares lying with the Trust that may remain unutilized pursuant to non-exercisability of options granted under Satin ESOS 2009, 2010 (I) and 2010 (II), to or for the benefit of permanent employees of the Holding Company and its subsidiaries whether working in India or outside India. The said ESOS Scheme, 2017 were approved in twenty seventh Annual General Meeting of the Holding Company held on July 6. 2017.

(All amounts in ₹ lakhs, unless otherwise stated)

Details of grant and exercise of such options are as follows:

Particulars	Grant – 1 of ESOS 2017			Grant – 2 of ESOS 2017		
No. of options granted	1,45,200			2,26,600		
Date of grant of options	August 14, 2017			May 30, 2018		
No. of employee to whom such options were granted	57			35		
Financial year (F.Y.)	F.Y. 2018-19	F.Y. 2019-20	F.Y. 2020-21	F.Y. 2019-20	F.Y. 2020-21	F.Y. 2021-22
No. of employees who have exercised the option	18	27	-	13	-	NA
No. of options exercised	12,200	13,500	-	20,950	-	NA

b) The Holding Company has provided following share based options to its employees:

Particulars	ESOS 2009	ESOS 2017
Date of grant	January 12, 2010, December 2, 2013 and December 2, 2016	August 14, 2017 and May 30, 2018
Date of board meeting, where ESOP/ESOS were approved	November 27, 2009	May 26, 2017
Date of committee meeting where grant of options were approved	January 12, 2010 November 12, 2013 and November 09, 2016	August 14, 2017 and May 30, 2018
Date of shareholders' approval	June 1, 2009	July 06, 2017
No. of options granted	336,200 out of 425,000	3,71,800
Method of settlement	Equity	Share/Cashless route
Vesting conditions	The actual vesting of options will depend on continuation to hold the services being provided to the Holding Company at the time of exercise of options and such other conditions as mentioned in the ESOS Scheme.	The actual vesting of options will depend on continuation to hold the services being provided to the Holding Company at the time of exercise of options and such other conditions as mentioned in the ESOS Scheme, 2017.
Vesting period	Option will be vested at the end of year 1 – 33.33% end of year 2 – 33.33% end of year 3 – 33.34% end of year Subject to lock in period of one year from the date of transfer of shares and other terms as stipulated in the Scheme and prescribed under the law in force.	Grant 1 of ESOS 2017 Option will be vested at the end of year 1 – 33.33% end of year 2 – 33.33% end of year 3 – 33.34% end of year Grant 2 of ESOS 2017 Option will be vested at the end of year 1 – 50% end of year 2 – 50% end of year
Exercise period	It shall commence from the date of vesting of options and expire not later than 2 months from the vesting date of each grant of options	It shall commence from the date of vesting of options and expire not later than 1 Year from the vesting date of each grant of options

Note: ESOS 2009 scheme was repealed in terms of Resolution passed by the Shareholders at their meeting held on July 6, 2017.

Details of Vesting and Exercise of Options (ESOS 2009):

Vesting Date	Vested options	No of options exercised
January 12, 2011	50,000	50,000
January 12, 2012	50,000	50,000
January 12, 2013	50,000	50,000
December 2, 2014	29,090	25,824
December 2, 2015	29,100	22,633
December 2, 2016	29,110	27,243
December 2, 2017	22,300	21,100
December 2, 2018	19,300	19,300
December 2, 2019	13,300	13,300

(All amounts in ₹ lakhs, unless otherwise stated)

Details of Vesting and Exercise of Options (Grant 1 of ESOS 2017):

Vesting Date	Vested options	No of options exercised
August 14, 2018	21,400	12,200
August 14, 2019	15,800	13,500
August 14, 2020*	11,400	-

* These options are available for exercise till August 13, 2021

Details of Vesting and Exercise of Options (Grant 2 of ESOS 2017):

Vesting Date	Vested options	No of options exercised
May 30 2019	1,05,050	20,950
May 30 2020*	96,850	-

* These options are available for exercise till August 13, 2021

i) The details of ESOS 2009 are summarized below:

Particulars	As at March 31, 2021		As at March 31, 2020	
	ESOS 2009		ESOS 2009	
	No. of options	Weighted average exercise price	No. of options	Weighted average exercise price
Outstanding options at the beginning of the year*	-	-	-	-
Exercised during the year	-	-	13,300	20
Number of shares arising as a result of exercise of options	-	-	13,300	20
Expired/ lapsed during the year	-	-	6,000	20
Options shifted to new ESOS Scheme 2017	-	-	6,000	-
Exercisable at the end of the year	-	-	-	-
Weighted average remaining contractual life (in years) of the option exercisable	-	-	-	-
Weighted average fair value of the options exercisable at grant date		420.75		420.75
Loan repaid by the Trust during the year from exercise price received (amount in lakhs)	-	-	2.66	-

* Being ESOS 2009 doesn't exist as of March 31, 2021, the above reporting has been made for the options granted earlier.

ii) Weighted average exercise price of share (fair market value) during the year ended March 31, 2021: NA (March 31, 2020: ₹ 218.18).

iii) The details of ESOS Scheme 2017 are summarized below:

Particulars	As at March 31, 2021		As at March 31, 2020	
	ESOS 2017		ESOS 2017	
	No. of options	Weighted average exercise price	No. of options	Weighted average exercise price
Outstanding options at the beginning of the year	1,49,150	At a discount/ premium on fair value	1,25,700	At a discount/ premium on fair value
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	160	34,450	160
Number of shares arising as a result of exercise of options	-	160	34,450	160
Expired/ lapsed during the year under ESOS Scheme, 2017	1,20,500	160	17,450	160
Options expired/ lapsed under earlier ESOP Scheme's (adjusted)*	-	-	6,000	-
Outstanding options at the end of the year	2,69,500	-	1,49,150	-

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2021		As at March 31, 2020	
	ESOS 2017		ESOS 2017	
	No. of options	Weighted average exercise price	No. of options	Weighted average exercise price
Exercisable at the end of the year	79,300	160	1,99,800	160
Weighted average remaining contractual life (in years) of the option exercisable	-	0.19	-	0.32
Weighted average fair value of the options exercisable at grant date	Grant -1	166.98	Grant -1	166.98
	Grant -2	254.54	Grant -2	254.54
Loan repaid by the Trust during the year from exercise price received (amount in lakhs)		-	6.89	-

* Outstanding Options of previous ESOS schemes has been transferred to new ESOS scheme 2017

iv) Weighted average exercise price (fair market value) of share during the year ended March 31, 2021: NA (March 31, 2020: ₹ 278.20).

The detail of exercise price for stock option at the end of the financial year 2020-2021 is:

Series	Range of exercise price	No. of options outstanding for Exercise	Weighted average remaining contractual life of options (in years)	Weighted average exercise price	Remarks
Grant-3 ESOS 2009	20 per option	-	-	20	Scheme Repealed
Grant-1 ESOS Scheme 2017	160 per option	10,200	0.37	160	New Scheme
Grant-2 ESOS Scheme 2017	160 per option	69,100	0.16	160	New Scheme

v) Employee wise details (name of employee, designation, number of options granted during the year, exercise price) - NIL*

*There was no grant this year, however Outstanding Grants has been adjusted due to rights issue. Further Grant for Rights Issue can be exercised only along with exercise of Original Grant

There are no identified employees who were granted an option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Holding Company at the time of grant.

vi) The fair value of the options granted is determined on the date of the grant using the **"Black-Scholes option pricing model"** with the following assumptions, as certified by an independent valuer:

Particulars	Grant 3 ESOS 2009	Grant 1 ESOS 2017			Grant 2 ESOS 2017	
	3rd tranche of vesting	1st tranche of vesting	2nd tranche of vesting	3rd tranche of vesting	1st tranche of vesting	2nd tranche of vesting
Date of grant	**December 2, 2016**	**August 14, 2017**	**August 14, 2017**	**August 14, 2017**	**May 30, 2018**	**May 30, 2018**
Fair market value of option on the date of grant	438.40	267.38	267.38	267.38	386.65	386.65
Exercise price	20.00	160.00	160.00	160.00	160.00	160.00
Expected volatility (%)	60.39%	55.86%	62.90%	62.90%	45.31%	53.94%
Expected option life (weighted average)	3.08	1.50	2.50	3.50	1.50	2.50
Expected dividends yield	-	-	-	-	-	-
Risk free interest rate (%)	6.03%	6.35%	6.40%	6.45%	7.53%	7.66%

The expected volatility was determined based on historical volatility data of the Holding Company's shares listed on the National Stock Exchange of India Limited.

(All amounts in ₹ lakhs, unless otherwise stated)

vii) The Holding Company has recognized share based payment expense of ₹ 19.02 lakhs (March 31, 2020: ₹ 147.97 lakhs) during the year as proportionate cost.

viii) The Holding Company has ₹ 79.69 lakhs (March 31, 2020: ₹ 79.69 lakhs) recoverable from Satin Employees Welfare Trust pursuant to ESOP schemes.

ix) During the year under review, the Holding Company has come out with the rights issue of partly paid up equity shares for the existing shareholders of the Holding Company as on record date. Further Pursuant to para 5 of the ESOP Scheme 2017, the Number of Shares to be issued, upon excercising the vested options, shall be adjusted/enhanced in accordance with the corporate action. Accordingly, Employee who exercises the vested option, will also be entitled for the Rights Equity shares in the ratio of 48 Rights Equity Share for every 125 Equity Shares issued on exercise of vested options. The employee can apply for Rights issue shares only after exercising corresponding options and will be entitled on the basis of Rights issue Ratio. Rights Issue Shares will be issued to an employee at par, i.e. the price at which the rights shares were acquired by trust. As on March 31, 2021 , Employee Welfare Trust has paid ₹ 45 per Rights Equity Share.

60. DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MSMED ACT, 2006

Particulars	As at March 31, 2021	As at March 31, 2020
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	234.74	311.33
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.	-	-

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No. 001076N/N500013

Manish Gujral
Partner
Membership Number: 105117

Place : Mumbai
Date : June 14, 2021

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

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

Satvinder Singh
(Director)
DIN: 00332521
Place : Gurugram

Sanjay Kumar Bhatia
(Chairman Audit Committee cum Director)
DIN: 07033027
Place : Dehradun

Vipul Sharma
(Company Secretary & Compliance Officer)
Membership Number: A27737

Rakesh Sachdeva
(Chief Financial Officer)
Place : Gurugram

Place : Gurugram
Date : June 14, 2021

(All amounts in ₹ lakhs, unless otherwise stated)

Form AOC - 1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries

Part- A Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹ lakhs)

S.No.	1	2	3
Name of Subsidiary	**Taraashna Financial Services Limited**	**Satin Housing Finance Limited**	**Satin Finserv Limited**
The date since when subsidiary was acquired	September 01, 2016	April 17, 2017	August 10, 2018
Reporting period for the subsidiary concerned, if different from the holding company's reporting period :-	Not Applicable	Not Applicable	Not Applicable
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries :-	Not Applicable	Not Applicable	Not Applicable
Share capital	1,604.00	9,500.00	10,250.00
Other equity	2,980.69	(175.57)	396.14
Total assets	9,208.99	23,627.85	14,133.99
Total Liabilities	4,624.30	14,303.42	3,487.85
Investments	Nil	Nil	Nil
Revenue	5,932.77	2,957.30	2,480.88
Profit /(loss) before taxation	(698.72)	211.47	642.57
Tax expenses	(195.31)	74.20	164.75
Profit /(loss) after taxation	(503.41)	137.27	477.82
Other comprehensive income	(17.01)	(3.16)	1.87
Total comprehensive income	(520.42)	134.11	479.69
Proposed dividend	Nil	Nil	Nil
Extent of shareholding (in percentage)	100%	100%	100%

i) Names of subsidiaries which are yet to commence operations: N.A.

ii) Names of subsidiaries which have been liquidated or sold during the year - N.A.

INDEPENDENT AUDITOR'S REPORT

To the Members of Satin Creditcare Network Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying standalone financial statements of **Satin Creditcare Network Limited** (the "Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022 and its profit & other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note No. 53 to the accompanying Statement, which describes significant uncertainties due to the outbreak of COVID-19 pandemic. The impact of the pandemic on the operations of the Company and its financial position as at March 31, 2022 including the measurement of expected credit losses on the loan assets are significantly dependent on uncertain future economic conditions. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone financial statements.

Key Audit Matter	Auditor's Response
Use of information processing system for accounting and financial reporting The Company is operating in Financial Services Sector, where in due to large volume processing, accounting & reporting of financial information is reliant on information processing systems and IT backed internal controls. The controls implemented by the Company in its IT environment determine the integrity, accuracy, completeness and validity of data that is processed by the applications and is ultimately used for financial reporting. Since our audit strategy included focus on entity's information processing systems relevant to our audit due to their pervasive	**Audit Procedures** Our key audit procedures on this matter included, but were not limited, to the following: (a) obtained an understanding of the Company's information processing systems, IT General Controls and automated IT controls for applications, databases and operating systems relevant to our audit; (b) Performance of the following procedures: (i) tested the IT General Controls around user access management, system change management, and IT operational controls along with segregation of duties around program maintenance, security administration and over key financial accounting and reporting processes;

<table>
<tr><th>Key Audit Matter</th><th>Auditor's Response</th></tr>
<tr><td>impact on the standalone financial statements, we have determined the use of information processing system for accounting and financial reporting as a key audit matter for the current year audit.</td><td>(ii) tested the design and operating effectiveness of the Company's periodic review of access rights. We also tested requests of changes to systems for approval and authorization; and
(iii) tested the automated controls like interfaces and information generated by the entity's information processing systems for loans, interest income and other significant financial statement items.
(iv) In addition to the above, we tested the design and operating effectiveness of certain automated controls that were considered as key internal controls over financial reporting
(c) obtained written representations from management and those charged with governance on whether IT general controls and automated IT controls are designed and were operating effectively during the period covered by our audit.</td></tr>
<tr><td>Impairment of Financial Assets as at Balance Sheet date (Expected Credit losses on loans) and implementation of COVID-19 relief measures
[Refer Note No. 3(k) for the accounting policy and Note No. 43 for the related disclosures]
As at March 31, 2022, the Company has financial assets (loans) amounting to INR 4,89,739.76 lakh including loans which are carried at fair value through other comprehensive income amounting to INR 3,88,533.16 lakh. As per Ind AS 109 - Financial Instruments, the Company is required to recognize loss allowance for expected credit losses (ECL) on financial assets.
ECL involves an estimation of probability weighted loss on financial instruments over their life, considering reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions which could impact the credit quality of the Company's loans and advances.
ECL is calculated using the percentage of probability of default (PD), loss given default (LGD) and exposure at default (EAD) for each of the stages of loan portfolio.
ECL is measured at 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 loan assets. Significant management judgment and assumptions involved in measuring ECL is required with respect to:
• determining the criteria for a significant increase in credit risk (SICR)
• factoring in future economic assumptions
• techniques used to determine probability of default, loss given default and exposure at default.
These parameters are derived from the Company's internally developed statistical models with the help of experts appointment by the management and other historical data.</td><td>Audit Procedures
Our audit focused on assessing the appropriateness of management's judgment and estimates used in the impairment analysis through the following procedures, but were not limited to the following procedures:
a) performed a walkthrough of the impairment loss allowance process and assessed the design effectiveness of controls;
b) Read and assessed the Company's accounting policies for impairment of financial assets and their compliance with Ind AS 109 and the governance framework approved by the Board of Directors pursuant to guidelines issued by Reserve Bank of India and relief announced by the State Govt. of Assam
c) obtained an understanding of the model adopted by the Company including key inputs, assumptions and management overlays for calculation of expected credit losses including the impact of COVID 19 on the assumptions and how management calculated the expected credit losses and the appropriateness of data on which the calculation is based;
d) Obtained the reports of the expert appointed by the management and assessed the expert's professional competence, independence and objectivity in developing the ECL model;
e) obtained the policy on Restructuring of loan under resolution framework duly approved by the Board of Directors pursuant to the RBI circulars and ensured that such policy is in compliant with the requirements of the RBI circular;
f) evaluated the appropriateness of the Company's determination of significant increase in credit risk in accordance with the applicable Ind AS considering the impact of COVID-19 and the basis for classification of various exposures into various stages;
g) as modeling assumptions and parameters are based on historical data, we assessed whether historical experience was representative of current circumstances and was relevant in view of the recent impairment losses incurred within the portfolios;</td></tr>
</table>

Key Audit Matter	Auditor's Response
COVID-19 In continuation of various relief measures announced by RBI in earlier years for the borrowers, during the year, the Company has implemented the RBI circular on "Asset Classification and Income Recognition following the expiry of Covid-19 regulatory package" dated April 7, 2021 besides considering the Relief package announced by State Govt. of Assam and restructuring of loans of borrowers under resolution framework 2.0 and have been collectively considered by the management in identification, classification and provisioning of loan assets for impairment.. The basis of estimates and assumptions involved in arriving at the provisions during the year were monitored by the Company periodically and significantly depend on future developments in the economy due to COVID-19 including any new relief measures' announcements by the RBI or by any State/Centre Govt. Considering the significance of the above matter to the standalone financial statements and since the matter required our significant attention to test the calculation of expected credit losses, we have identified this as a key audit matter for current year audit. We also draw attention to Note No. 53 of the accompanying standalone financial statements, regarding uncertainties involved due to outbreak of COVID-19 pandemic with respect to the measurement of expected credit loss on such loan assets which are significantly dependent on uncertain future developments as the same is fundamental to the understanding of the users of financial statements.	Assessed the criteria for staging of loans based on their past due status to check compliance with requirement of Ind AS 109. Tested a sample of performing (stage 1) loans to assess whether any SICR or loss indicators were present requiring them to be classified under higher stages h) tested the design and operating effectiveness of the key controls over completeness and accuracy of the key inputs and assumptions considered for calculation, recording and monitoring of the impairment loss recognized; i) tested the accuracy of inputs through substantive procedures and assessed the reasonableness of the assumptions used; j) developed a point estimate by making reference to the expected credit losses recognized by entities that carry comparable financial assets; k) tested the arithmetical calculation of the expected credit losses; l) assessed the appropriateness and adequacy of the related presentation and disclosures in the accompanying financial statements in accordance with the applicable Ind AS and related RBI circulars and Resolution Framework; and m) obtained written representations from management and those charged with governance whether they believe significant assumptions used in calculation of expected credit losses are reasonable.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the other information identified above, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE STANDALONE FINANCIAL STATEMENTS

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

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit we report that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
   e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
   f) With respect to the adequacy of the internal financial controls with reference to the financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to the financial statements.
   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

      In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
      ii. The Company has made provision, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
      iv. a. The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

          b. The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

c. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The final dividend declared and paid on Cumulative, Non-Participative, Non-Convertible, Compulsorily Redeemable Preference Shares by the Company during the year and until the date of this report is in compliance with Section 123 of the Act (Refer Note No. 35 to the standalone financial statements).

For **S S Kothari Mehta & Company**
Chartered Accountants
Firm's Registration No.: 000756N

Naveen Aggarwal
Partner
(Membership No.094380)
UDIN: 22094380AJQMSG6758
Place: New Delhi
Date: May 04, 2022

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Satin Creditcare Network Limited of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:

   a. (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.

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

   b. According to the information and explanation provided to us, the Property, Plant & Equipment, Investment property and right to use assets have been physically verified by the management according to designed process to cover all the items once in three years, which in our opinion is reasonable having regard to the size of the Company and the nature of its Assets. The discrepancies, noticed on such physical verification had been properly dealt with in the books of account.

   c. According to the information and explanation given to us and based on our examination of records, we report that, the title deeds of all immovable properties disclosed in the financial statements included under Property, Plant and Equipment (other than properties where the Company is the lessee and the lease agreements are duly executed in favor of the lessee) are held in the name of the Company as at the balance sheet date except for the following property which was transferred as a result of an amalgamation of companies as stated in the Note No. 13 to the Standalone Financial Statements wherein the title deeds are in the name of the erstwhile Company.

(Amount in INR lakhs)

Description of Property	Gross Carrying Value as on March 31, 2022	Held in the Name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in the name of the company
Building	292.00	Satin Intellicomm Limited	Not Applicable	Since December 2007	The said property is in the name of Satin Intellicomm Limited, an erstwhile Company that merged with the Company. However, transfer formalities are not yet completed.

   d. According to the information and explanation given to us and based on our examination of records, the Company has not revalued any of its Property, Plant and Equipment (including right- of-use assets) and intangible assets during the year.

   e. According to the information and explanation given to us and based on our examination of records, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii. (a) The Company does not have any inventory and hence reporting under clause 3(ii)(a) of the Order is not applicable.

   (b) According to the information and explanation given to us and based on our examination of records, the Company has been sanctioned overdraft against fixed deposits in excess of five crore rupees, in aggregate, from banks or financial institutions. However, there are no covenants in the sanction letters w.r.t. furnishing the quarterly returns / statements for such sanctioned overdraft limits.

iii. According to the information and explanation given to us and based on our examination of records, the Company has made investments in, companies, firms, Limited Liability Partnerships, and granted unsecured loans to other parties, during the year, in respect of which:

   (a) Reporting under clause 3(iii)(a) of the Order is not applicable as the Company is a NBFC – MFI.

   (b) In our opinion, the investments made, guarantee provided and the terms and conditions of the grant of all loans and guarantee provided, during the year are, prima facie, not prejudicial to the Company's interest. Company has not provided any security to companies, firms, Limited Liability Partnerships or any other parties.

ANNEXURE A (Contd.)

(c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are generally been regular as per stipulation. Since, the Company is NBFC-MFI and considering the significant volume of transactions with number of borrowers furnishing the number of cases of default is practically not feasible.

(d) In respect of loans granted by the Company, the details of total amount overdue above 90 days are as follows: -

(Amount in INR lakhs)

Type of Loan	Nos of Cases	Principal Overdue	Interest Overdue	Total Overdue
JLG	338368	26,871.37	6,097.91	32,969.28
MSME	285	172.72	353.52	526.24
Total	**338653**	**27,044.09**	**6,451.43**	**33,495.52**

Based on the information & explanations given to us, reasonable steps have been taken by the Company for the recovery of the Principal & Interest.

(e) Reporting under clause 3(iii)(e) of the Order is not applicable as the Company is a NBFC – MFI.

(f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence the reporting under clause 3(iii)(f) is not applicable

iv. According to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.

v. According to the information and explanations given to us, during the year the Company has neither accepted any deposits from the public nor any deposits are outstanding during the year. There are no deemed deposits under the provisions of Companies Act, 2013 and rules thereunder. Accordingly, the provisions of clause 3 (v) of the Order are not applicable to the Company.

vi. In our opinion and according to the information and explanations given to us, the requirement of maintenance of cost records pursuant to Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government in terms of sub-section (1) of section 148 of the Companies Act, 2013 are not applicable to the Company. Hence, reporting under clause 3(vi) of the Order is not applicable to the Company.

vii. According to the information and explanations given to us and the records of the Company examined by us and based on the representation given by the management, in our opinion:

a. the Company is regular in depositing undisputed statutory dues in respect of provident fund, employees' state insurance, income tax, Goods and Services Tax, Service Tax, Sales Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as applicable, with the appropriate authorities. Based on our sample review of material cases, we have not found any delay. Further, there were no undisputed amounts outstanding at the year-end for a period of more than six months from the date they became payable.

b. Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2022 on account of disputes are given below:

Name of the statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount INR (in lakhs)
The Income Tax Act, 1961	Income Tax	National Faceless Appeal Centre (NFAC)	AY* 2018-19	194.63

*AY=Assessment Year

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

ix. (a) According to the information and explanation given to us and based on our examination of records, the Company has not defaulted in repayment of loans or other borrowings or in the payment of Interest thereon to any lender and hence, reporting under clause 3(ix)(a) of the Order is not applicable.

(b) Based on the information and explanations obtained by us, the Company has not been declared willful defaulter by any bank or financial institution or other lender.

(c) According to the information and explanation given to us and based on our examination of records, the Company has applied the term loans for the purpose for which the loans were obtained.

(d) According to the information and explanation given to us and based on our examination of records, funds raised on short- term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) According to the information and explanation given to us and based on our examination of records, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries. Company is not having associate or joint venture. Accordingly, the reporting under this clause 3(ix)(e) of the Order is not applicable.

(f) According to the information and explanation given to us and based on our examination of records, the Company has not raised loans on the pledge of securities held in its subsidiaries. Company is not having any joint ventures or associate companies during the year and hence, reporting under clause 3(ix)(f) of the Order is not applicable.

x. (a) According to the information and explanation given to us and on the basis of our examination of the records, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanation given to us and based on our examination of records, during the year, the Company has made preferential allotment of shares, which is in accordance with the requirements of Section 42 and Section 62 of the Companies Act, 2013 read with Rule 13 of the Companies (Share Capital and Debentures) Rules, 2014 and the funds raised have been used for the purposes for which the funds were raised. Company has not issued any convertible debentures (fully, partially or optionally convertible) during the year.

xi. (a) According to the information and explanation given to us and based on our examination of records, no fraud by the Company or on the Company has been noticed or reported during the period covered by our audit except management reported few instances of misappropriation of cash collected from customers and other forms of embezzlement of cash by the employees, involving amount aggregating to INR 155.96 lakhs as mentioned in Note No. 57(A)(xviii)(i). As informed, the Company has terminated the services of such employees and also initiated legal action against them.

(b) According to the information and explanation given to us and based on our examination of records, no report under sub-section (12) of section 143 of the 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 upto the date of this report.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year (and upto the date of this report), while determining the nature, timing and extent of our audit procedures.

xii. The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.

xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable Ind AS (Refer Note No. 48 to the financial statements).

xiv. (a) According to the information and explanation given to us and based on our examination of records, in our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date of our report, in determining the nature, timing and extent of our audit procedures.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

xvi. (a) The Company was required to be registered under Section 45IA of the Reserve Bank of India Act, 1934 (2 of 1934) as a NBFC-MFI and has obtained the certificate vide no. B-14.01394 dated November 06, 2013.

(b) According to the information and explanations given to us and based on our examination of the records, the Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(c) According to the information and explanations given to us and based on our examination of the records, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India, accordingly, paragraph 3(xvi)(c) of the Order is not applicable.

(d) According to information and explanations provided to us and based on our examination of records, the Company does not have more than one CIC in the group hence the reporting under clause 3(xvi)(d) of the Order is not applicable.

xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

xviii. In terms of RBI Circular RBI/2021-22/25 dated April 27, 2021, w.r.t. Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs), the previous statutory auditors of the Company had resigned during the period under audit. We have obtained no objection from the previous statutory auditors and no issues have been informed to us.

xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

(b) According to information and explanations provided to us and based on our examination of records, the Company has transferred the amount remaining unspent under sub-section (5) of section 135 of the Companies Act with respect to ongoing project to special account in compliance with the provision of sub-section (6) of section 135 of the said Act.

For **S S Kothari Mehta & Company**
Chartered Accountants
Firm's Registration No.: 000756N

Naveen Aggarwal
Partner
(Membership No.094380)
UDIN: 22094380AJQMSG6758
Place: New Delhi
Date: May 04, 2022

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Satin Creditcare Network Limited of even date)

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of sub- section 3 of Section 143 of the Companies Act, 2013 (the "Act")

We have audited the internal financial controls with reference to financial statements of **SATIN CREDITCARE NETWORK LIMITED** (the "Company") as of March 31, 2022 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to the financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

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

OPINION

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

For **S S Kothari Mehta & Company**
Chartered Accountants
Firm's Registration No.: 000756N

Naveen Aggarwal
Partner
(Membership No.094380)
UDIN: 22094380AJQMSG6758
Place: New Delhi
Date: May 04, 2022

STANDALONE BALANCE SHEET
AS AT MARCH 31, 2022

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Notes	As at March 31, 2022	As at March 31, 2021
ASSETS			
Financial assets			
Cash and cash equivalents	4	1,04,900.58	1,12,068.58
Bank balances other than cash and cash equivalents	5	86,565.38	74,195.31
Derivative financial instruments	6	1,192.75	34.13
Trade receivables	7	239.41	1,460.92
Loans	8	4,89,739.76	5,51,496.23
Investments	9	33,616.86	28,318.30
Other financial assets	10	2,105.14	3,156.42
		7,18,359.88	**7,70,729.89**
Non-financial assets			
Deferred tax assets (net)	11	6,811.20	4,609.86
Investment Property	12	698.26	693.73
Property, plant and equipment	13	7,901.34	8,384.37
Capital work-in-progress	13	17.89	364.96
Other intangible assets	14	212.71	288.79
Other non-financial assets	15	3,539.22	2,379.82
		19,180.62	**16,721.53**
TOTAL ASSETS		**7,37,540.50**	**7,87,451.42**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Payables			
Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises	16	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1,049.81	792.62
Other payables	17		
(i) total outstanding dues of micro enterprises and small enterprises		172.02	223.90
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1,371.54	1,434.68
Debt securities	18	1,18,743.75	1,70,507.14
Borrowings (other than debt securities)	19	3,82,504.26	3,81,643.15
Subordinated liabilities	20	45,034.73	50,412.79
Other financial liabilities	21	26,409.64	30,432.44
		5,75,285.75	**6,35,446.72**
Non-financial liabilities			
Current tax liabilities (net)	22	100.06	893.52
Provisions	23	775.84	1,316.16
Other non-financial liabilities	24	754.02	689.79
		1,629.92	**2,899.47**
EQUITY			
Equity share capital	25	7,459.12	6,647.12
Other equity	26	1,53,165.71	1,42,458.11
		1,60,624.83	**1,49,105.23**
TOTAL LIABILITIES AND EQUITY		**7,37,540.50**	**7,87,451.42**

Statement of significant accounting policies and other explanatory notes. 1-3

This balance sheet referred to in our report of even date.

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

Naveen Aggarwal
Partner
Membership Number: 094380

Place : New Delhi
Date : May 04, 2022

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

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

Satvinder Singh
(Director)
DIN: 00332521
Place : Gurugram

Sanjay Kumar Bhatia
(Chairman Audit Committee cum Director)
DIN: 07033027
Place : Gurugram

Vipul Sharma
(Company Secretary & Compliance Officer)
Membership Number: A27737

Rakesh Sachdeva
(Chief Financial Officer)
Place : Gurugram

Place : Gurugram
Date : May 04, 2022

STANDALONE STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2022	For the year ended March 31, 2021
I. INCOME			
Revenue from operations			
Interest income	27	1,17,010.74	1,11,686.08
Dividend income	28	3.15	-
Rental income	29	86.11	54.09
Fees and commission income	30	2,388.69	4,169.16
Net gain on fair value changes	31	1,423.43	-
Net gain on derecognition of financial instruments	32	4,954.65	11,042.73
Other operating income	33	303.38	204.93
Total revenue from operations		**1,26,170.15**	**1,27,156.99**
Other income	34	23.34	150.53
Total income		**1,26,193.49**	**1,27,307.52**
II. EXPENSES			
Finance costs	35	60,160.39	61,760.83
Net loss on fair value changes	31	-	645.30
Impairment on financial instruments	36	17,542.43	27,521.24
Employee benefits expenses	37	32,442.01	28,141.88
Depreciation and amortization	38	1,343.04	1,301.32
Other expenses	39	8,769.59	8,913.23
Total expenses		**1,20,257.46**	**1,28,283.80**
Profit/(Loss) before tax		**5,936.03**	**(976.28)**
Tax expense:	40		
Current tax		3,132.23	4,962.74
Deferred tax charge		(1,218.71)	(4,583.53)
Total		**1,913.52**	**379.21**
Profit/(Loss) after tax		**4,022.51**	**(1,355.49)**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurements of the defined benefit plans		12.91	(86.62)
Income tax relating to above items		(3.25)	21.80
	A	**9.66**	**(64.82)**
Items that will be reclassified to profit or loss			
Changes in fair value of loan assets		(3,917.29)	(4,489.73)
Income tax relating to above item		985.90	1,129.99
Cash flow hedge reserve		-	(65.89)
Income tax relating to above item		-	16.58
	B	**(2,931.39)**	**(3,409.05)**
Other comprehensive income	**A+B**	**(2,921.73)**	**(3,473.87)**
Total comprehensive income for the period		**1,100.78**	**(4,829.36)**
Earnings per equity share (face value of INR 10 per equity share)	41		
Basic (INR)		5.76	(2.19)
Diluted (INR)		5.29	(2.19)

Statement of significant accounting policies and other explanatory notes. 1-3

This statement of profit and loss referred to in our report of even date.

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

Naveen Aggarwal
Partner
Membership Number: 094380

Place : New Delhi
Date : May 04, 2022

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

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

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(Director)
DIN: 00332521
Place : Gurugram

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(Chairman Audit Committee cum Director)
DIN: 07033027
Place : Gurugram

Vipul Sharma
(Company Secretary & Compliance Officer)
Membership Number: A27737

Rakesh Sachdeva
(Chief Financial Officer)
Place : Gurugram

Place : Gurugram
Date : May 04, 2022

STANDALONE CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in INR lakhs, unless otherwise stated)

	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit/(Loss) before tax	5,936.03	(976.28)
	Adjustments for:		
	Depreciation and amortization	1,167.27	994.09
	Depreciation of right-of-use assets	175.77	307.23
	Net loss/(gain) on derecognition of property, plant and equipment	22.78	(9.37)
	Fair value gain on mutual funds	(264.81)	(4.91)
	Unrealized (gain)/loss on fair value changes of derivatives and investments	(1,158.62)	650.21
	Property, plant and equipment written off	39.14	6.05
	Impairment on financial instruments	17,542.43	27,521.24
	Dividend income	(3.15)	-
	Gain on sale of loan portfolio through assignment	(4,954.65)	(11,042.73)
	First loss default guarantee (reversal) / expenses	(380.06)	1,155.20
	Share based payment to employees	-	19.02
	Effective interest rate adjustment for financial instruments	1,970.36	2,198.58
	Interest expense for leasing arrangements	63.82	78.58
	Net gain on termination of leases	(7.78)	(5.41)
	Corporate guarantee premium income	(15.56)	(7.23)
	Unrealized exchange fluctuation loss/(gain) (net)	367.92	(381.17)
	Operating profit before working capital changes	**20,500.89**	**20,503.10**
	Movement in working capital		
	Decrease/(Increase) in trade receivables	1,221.51	(847.78)
	Decrease/(Increase) in loans	45,255.01	(1,01,293.09)
	Increase in deposits	(12,370.07)	(8,761.16)
	Decrease/(Increase) in other financial assets	1,008.82	(1,727.63)
	Increase in other non-financial assets	(1,226.12)	(707.36)
	Increase in trade and other payables	142.17	621.04
	(Decrease)/Increase in other financial liabilities	(3,627.18)	4,883.56
	(Decrease)/Increase in provisions	(527.41)	143.14
	Increase/(Decrease) in other non-financial liabilities	64.23	(154.55)
	Cash generated from / (used in) operating activities post working capital changes	**50,441.85**	**(87,340.73)**
	Income tax paid (net)	(3,925.67)	(916.23)
	Net cash generated from / (used in) operating activities (A)	**46,516.18**	**(88,256.96)**
B	**CASH FLOWS FROM INVESTING ACTIVITIES**		
	Purchase of property, plant and equipment, capital work-in-progress and intangible assets	(468.14)	(1,907.88)
	Proceeds from sale of property, plant and equipment and intangible assets	37.47	30.09
	Investment made in subsidiaries	(500.00)	(1,500.00)
	(Purchase)/Sale of other investments (net)	(4,533.75)	24,509.35
	Dividend income	3.15	-
	Net cash (used in) / generated from investing activities (B)	**(5,461.27)**	**21,131.56**

STANDALONE CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2022 (CONTD.)

(All amounts in INR lakhs, unless otherwise stated)

Particulars		For the year ended March 31, 2022	For the year ended March 31, 2021
C	**CASH FLOWS FROM FINANCING ACTIVITIES (refer to note (i) below)**		
	Proceeds from issue of share capital and share warrants (including premium and net of share issue expenses)	10,457.62	8,736.33
	Proceeds from debt securities	29,585.32	1,05,362.02
	Repayment of debt securities	(81,783.71)	(21,542.85)
	Proceeds from borrowings other than debt securities	3,01,140.12	2,40,212.47
	Repayment of borrowings other than debt securities	(3,10,460.73)	(2,57,285.07)
	Lease payments	(220.70)	(352.74)
	Proceeds from subordinated liabilities	0.00	304.77
	Repayment of subordinated liabilities	(5,369.41)	(4,169.77)
	Net cash (used in) / generated from financing activities (C)	**(56,651.49)**	**71,265.16**
	Net (Decrease)/increase in cash and cash equivalents (A+B+C)	(15,596.58)	4,139.76
	Cash and cash equivalents at the beginning of the year (refer to note (ii) below)	1,01,078.61	96,938.85
	Cash and cash equivalents at the end of the year	**85,482.03**	**1,01,078.61**

(i) *Refer note 20 for reconciliation of liabilities arising from financing activities.*

(ii) *Refer note 5 for restricted cash and cash equivalents.*

Notes:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Cash and cash equivalents (as per note 4 to the financial statements)	1,04,900.58	1,12,068.58
Less: Overdraft facility against term deposits (as per note 19 to the financial statements)	(19,418.55)	(10,989.97)
	85,482.03	**1,01,078.61**

Statement of significant accounting policies and other explanatory notes. Note 1-3

This statement of cash flow referred to in our report of even date.

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

Naveen Aggarwal
Partner
Membership Number: 094380

Place : New Delhi
Date : May 04, 2022

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

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

Satvinder Singh
(Director)
DIN: 00332521
Place : Gurugram

Sanjay Kumar Bhatia
(Chairman Audit Committee cum Director)
DIN: 07033027
Place : Gurugram

Vipul Sharma
(Company Secretary & Compliance Officer)
Membership Number: A27737

Rakesh Sachdeva
(Chief Financial Officer)
Place : Gurugram

Place : Gurugram
Date : May 04, 2022

STANDALONE STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED MARCH 31, 2022

(All amounts in INR lakhs, unless otherwise stated)

A. Equity share capital (refer note 25)

As at March 31, 2022

Particulars	Balance as at April 1, 2021	Changes in Equity Share Capital due to prior period errors	Restated balance at April 1, 2021	Change during the year	Balance as at March 31, 2022
Equity share capital	6,647.12	-	6,647.12	812.00	7,459.12

As at March 31, 2021

Particulars	Balance as at April 1, 2020	Changes in Equity Share Capital due to prior period errors	Restated balance at April 1, 2020	Change during the year	Balance as at March 31, 2021
Equity share capital	5,171.27	-	5,171.27	1,475.85	6,647.12

B. Other equity (Refer note 26)

Particulars	Reserves and Surplus						Equity instruments through other comprehensive income	Change in fair value of loan assets through other comprehensive income	Cash flow hedge reserve	Money received against share warrants	Total
	Statutory reserves	Securities premium	General reserve	Capital redemption reserve	Share options outstanding account	Retained earnings					
Balance as at April 1, 2020	**9,966.39**	**94,548.74**	**29.94**	**277.00**	**540.99**	**27,808.57**	**(5.00)**	**6,869.19**	**69.87**	**-**	**1,40,105.69**
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-	-	-	-	-
Restated balance at April 1, 2020	**9,966.39**	**94,548.74**	**29.94**	**277.00**	**540.99**	**27,808.57**	**(5.00)**	**6,869.19**	**69.87**	-	**1,40,105.69**
Loss for the year	-	-	-	-	-	(1,355.49)			-	-	(1,355.49)
Other comprehensive income (net of tax)	-		-	-	-	(64.82)	-	(3,359.74)	(49.31)	-	(3,473.87)
Issue of equity shares	-	7,260.80	-	-	-	-	-	-	-	-	7,260.80
Transfer to statutory reserves	-	-	-	-	-	-	-	-	-	-	-
Transfer from share options outstanding account	-	-	-	-	(244.54)	244.54	-	-	-	-	-
Profit of ESOP trust	-	-	-	-	-	(0.34)	-	-	-	-	(0.34)
Share based payment to employees	-	-	-	-	(78.68)	-	-	-	-	-	(78.68)
Balance as at March 31, 2021	**9,966.39**	**1,01,809.54**	**29.94**	**277.00**	**217.77**	**26,632.46**	**(5.00)**	**3,509.45**	**20.56**	**-**	**1,42,458.11**

STANDALONE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2022 (CONTD.)

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Reserves and Surplus						Equity instruments through other comprehensive income	Change in fair value of loan assets through other comprehensive income	Cash flow hedge reserve	Money received against share warrants	Total
	Statutory reserves	Securities premium	General reserve	Capital redemption reserve	Share options outstanding account	Retained earnings					
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-	-	-	-	-
Restated balance at March 31, 2021	**9,966.39**	**1,01,809.54**	**29.94**	**277.00**	**217.77**	**26,632.46**	**(5.00)**	**3,509.45**	**20.56**	**-**	**1,42,458.11**
Profit for the year	-	-	-	-		4,022.51	-	-	-	-	4,022.51
Other comprehensive income (net of tax)	-	-	-	-	-	9.66	-	(2,931.39)	-	-	(2,921.73)
Issue of equity shares (net of share issue expenses)	-	4,645.62	-	-	-	-	-	-	-	-	4,645.62
Issue of share warrants (refer note 25 (F))	-	-	-	-	-	-	-	-	-	5,000.00	5,000.00
Transfer to statutory reserves	804.50	-	-	2,500.00	-	(3,304.50)	-	-	-	-	-
Transfer from share options outstanding account	-	-	-	-	(178.97)	178.97	-	-	-	-	-
Share based payment to employees	-	-	-	-	(38.80)	-	-	-	-	-	(38.80)
Balance as at March 31, 2022	**10,770.89**	**1,06,455.16**	**29.94**	**2,777.00**	**-**	**27,539.10**	**(5.00)**	**578.06**	**20.56**	**5,000.00**	**1,53,165.71**

Statement of significant accounting policies and other explanatory notes.

This statement of changes in Equity referred to in our report of even date.

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

Naveen Aggarwal
Partner
Membership Number: 094380

Place : New Delhi
Date : May 04, 2022

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

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

Satvinder Singh
(Director)
DIN: 00332521
Place : Gurugram

Sanjay Kumar Bhatia
(Chairman Audit Committee cum Director)
DIN: 07033027
Place : Gurugram

Vipul Sharma
(Company Secretary & Compliance Officer)
Membership Number: A27737

Rakesh Sachdeva
(Chief Financial Officer)
Place : Gurugram

Place : Gurugram
Date : May 04, 2022

1. COMPANY OVERVIEW

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

2. BASIS OF PREPARATION

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

These standalone financial statements ("the Financial Statements") have been prepared in accordance with the Indian Accounting Standards ('Ind AS') as notified by Ministry of Corporate Affairs ('MCA') under Section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act. The Company has uniformly applied the accounting policies for all the periods presented in this financial statements.

The financial statements for the year ended March 31, 2022 were authorized and approved for issue by the Board of Directors on May 4, 2022.

(ii) Historical cost convention

The financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India. Further, the financial statements have been prepared on a historical cost basis, except for fair value through other comprehensive income (FVOCI) instruments, derivative financial instruments, and financial assets and liabilities designated at fair value through profit or loss (FVTPL), all of which have been measured at fair value. Further the carrying values of recognized assets and liabilities that are hedged items in fair value hedges, and otherwise carried at amortized cost, are adjusted to record changes in fair value attributable to the risks that are being hedged.

(iii) Going Concern

Management is of the view that having regard to the projections of the business prospects, Company shall be able to continue as a going concern. Accordingly, management considers it appropriate to prepare these financial statements on a going concern basis.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared using the significant accounting policies and measurement bases summarized as below. These policies are applied consistently for all the periods presented in the financial statements.

a) Property, plant and equipment

Recognition and initial measurement

Property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are recognized in statement of profit and loss.

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

Property, plant and equipment are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation on property, plant and equipment is provided on the written down value method over the useful life of the assets as prescribed under Part 'C' of Schedule II of the Companies Act, 2013.

Asset class	Useful life
Building	60 years
Electrical equipment	10-25 years
Office equipment	5 years
Computer equipment	3-6 years
Furniture and fixtures	10 years
Vehicles	8-10 years

The Company, based on technical assessment made by technical expert and management estimate, depreciates the solar plant and fire plant under the head "Electrical equipment" over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

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 recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in the statement of profit and loss, when the asset is de-recognized.

Capital work-in-progress

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

b) Investment property

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognized in profit or loss as incurred.

The Company depreciates building component of investment property over 60 years from the date of original purchase.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer.

Investment properties are derecognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of de-recognition.

c) Intangible assets

Recognition and initial measurement

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

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

Intangible assets are amortized over a period of 3-5 years from the date when the assets are available for use. The estimated useful life (amortization 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 amortization period is revised to reflect the changed pattern, if any.

d) Intangible assets under development

Intangible assets under development represents expenditure incurred in respect of intangible assets under development and are carried at cost. Cost includes development cost, borrowing costs and other direct expenditure necessary to create, produce and prepare the asset to be capable of operating in the manner intended by management. These are recognized as assets when the Company can demonstrate following recognition requirements:

- The development costs can be measured reliably
- The project is technically and commercially feasible
- The Company intends to and has sufficient resources to complete the project
- The Company has the ability to use or sell such intangible asset
- The asset will generate probable future economic benefits.

Amortization of the asset begins when development is complete and the asset is available for use.

e) Revenue recognition

Interest income on loans

The Company recognizes interest income using Effective Interest Rate (EIR) on all financial assets subsequently measured at amortized cost or fair value through other comprehensive income (FVOCI). EIR is calculated by considering any fees and all incremental costs that are directly attributable to acquisition of a financial asset and it represents a rate that exactly discounts estimated future cash payments/receipts through the expected life of the financial asset to the gross carrying amount of a financial asset or to the amortized cost of a financial liability.

The Company recognizes interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. In case of credit-impaired financial assets regarded as 'Stage 3', the Company recognizes interest income on the net amortized cost of financial assets at EIR. If financial asset is no longer credit-impaired Company reverts to calculating interest income on a gross basis.

Additional interest/overdue interest/penal charges are recognized only when it is reasonable certain that the ultimate collection will be made.

Income from assignment transactions

Income from assignment transactions i.e. present value of excess interest spread is recognized when the related loan assets are de-recognized. Interest income is also recognized on carrying value of assets over the remaining period of such assets.

Commission income

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

Dividend income

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

Miscellaneous income

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

f) Borrowing costs

Borrowing costs consists of interest and other cost that the Company incurred in connection with the borrowing of funds. Borrowing costs charged to the Statement of Profit and Loss on the basis of effective interest rate method.

g) Taxation

I. Current tax: Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, in accordance with the Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS) prescribed therein. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current tax relating to items recognized outside profit or loss is recognized in correlation to the underlying transaction either in OCI or directly in other equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

II. Deferred Tax: Deferred tax is provided using the Balance Sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for deductible temporary differences to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets, if any, are reassessed at each reporting date and are recognized 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 realized 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 recognized outside profit or loss is recognized either in OCI or in other equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority. Tax expense recognized in Statement of Profit and Loss comprises the sum of deferred tax and current tax except to the extent it recognized in other comprehensive income or directly in equity.

h) Employee benefits

Short-term employee benefits

Short-term employee benefits including salaries, short term compensated absences (such as a paid annual leave) where the absences are expected to occur within twelve months after the end of the period in which the employees render the related service, profit sharing and bonuses payable within twelve months after the end of the period in which the employees render the related services and non-monetary benefits for current employees are estimated and measured on an undiscounted basis.

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

Defined contribution plans

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

Defined benefit plans

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

Other long-term employee benefits

The Company also provides the benefit of compensated absences to its employees which are in the nature of long-term employee benefit plan. Liability in respect of compensated absences becoming due and expected to availed after 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.

i) Share based payments

The Company has formulated an Employees Stock Option Schemes to be administered through a Trust. The stock options granted to employees pursuant to the Company's Stock Options Schemes, are measured at the fair value of the options at the grant date. The fair value of options granted under Employee Stock Option Plan is recognized as an employee benefits expense with a corresponding increase in other equity. The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the Company revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognizes the impact of the revision to original estimates, if any, in Statement of Profit and Loss, with a corresponding adjustment to equity.

j) Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. Recoverable amount is higher of an asset's net selling price and its value in use. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss. If at the reporting date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

Compensation for impairment

Compensation from third parties for items of property, plant and equipment that were impaired, lost or given up are recognized in statement of profit and loss when the compensation becomes receivable.

Financial Guarantees

Financial guarantees are initially recognized at fair value. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization.

The premium received (if any) is recognized as income on a straight-line basis over the life of the guarantee.

k) Impairment of financial assets

The Company is recording the allowance for expected credit losses for all loans at amortized cost and FVOCI and other debt financial assets not held at FVTPL

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL). The Company's policies for determining if there has been a significant increase in credit risk.

Loan assets

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

- Stage 1 (1-30 days) includes loan assets that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date.
- Stage 2 (31-90 days) includes loan assets that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment.
- Stage 3 (more than 90 days) includes loan assets that have objective evidence of impairment at the reporting date.

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

Probability of Default (PD) - The PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months (12 months PD), or over the remaining lifetime (Lifetime PD) of the obligation.

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

Exposure at Default (EAD) – EAD is based on the amounts the Company expects to be owed at the time of default.

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

Trade receivables

In respect of trade receivables, the Company applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of trade receivables.

Other financial assets

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

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

Write-offs

Financial assets are written off either partially or in their entirety to the extent that there is no realistic prospect of recovery. Any subsequent recoveries are credited to impairment on financial instrument on statement of profit and loss.

l) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand (including imprest), demand deposits and short-term highly liquid investments (certificate of deposits and commercial paper) that are readily convertible into known amount of cash and which are subject to an insignificant risk of changes in value. The Company has netted off the balance of bank overdraft with cash and cash equivalents for cash flow statement as they are considered an integral part of the Company's cash management.

m) Equity investment in subsidiaries

Investments representing equity interest in subsidiaries are accounted for at cost in accordance with Ind AS 27 Separate Financial Statements.

n) Provisions, contingent assets and contingent liabilities

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

Contingent liability is disclosed for:

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

Contingent assets are not recognized but disclosed where an inflow of economic benefits is probable.

o) Leases

Company as a lessee

A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Company assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company
- the Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract the Company has the right to direct the use of the identified asset throughout the period of use.

The Company assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

At lease commencement date, the Company recognizes a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term.

Determining the lease term of contracts with renewal and termination options where Company is lessee

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination.

Company as lessor:

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income.

Classification of leases – The Company enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

p) Financial instruments

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition and measurement

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

Non-derivative financial assets

Subsequent measurement

i. **Financial assets carried at amortized cost –** a financial asset is measured at the amortized 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 amortized cost using the effective interest rate (EIR) method. Amortized 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 amortization is included in interest income in the Statement of Profit and Loss.

ii. **Financial assets are measured at FVOCI when both of the following conditions are met: –**

- The instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets
- The contractual terms of the financial asset meet the SPPI test

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognized in OCI. Interest income are recognized in profit or loss in the same manner as for financial assets measured at amortized cost.

Investment in security receipts issued by trust floated by asset reconstruction companies are accounted for at fair value through other comprehensive income (FVOCI).

iii. **Investments in equity instruments –** Investments in equity instruments which are held for trading are classified as at fair value through profit or loss (FVTPL). For all other equity instruments, the Company makes an irrevocable choice upon initial recognition, on an instrument by instrument basis, to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL). Amounts presented in other comprehensive income are not subsequently transferred to profit or loss. However, the Company transfers the cumulative gain or loss within equity. Dividends on such investments are recognized in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

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

v. **Financial assets measured at FVTPL –** FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL, with all changes recognized in the P&L.

De-recognition of financial assets

Financial assets (or where applicable, a part of financial asset or part of a group of similar financial assets) are de-recognized (i.e. removed from the Company's balance sheet) when the contractual rights to receive the cash flows from the financial asset have expired, or when the financial asset and substantially all the risks and rewards are transferred. Further, if the Company has not retained control, it shall also de-recognize the financial asset and recognize 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 amortized cost using the effective interest method.

De-recognition of financial liabilities

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

First loss default guarantee

First loss default guarantee contracts are contracts that require the Company to make specified payments to reimburse the bank for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a agreement. Such financial guarantees are given to bank, for whom the Company acts as 'Business Correspondent'.

These contracts are initially measured at fair value and subsequently measure at higher of:

- The amount of loss allowance (calculated as described in policy for impairment of financial assets)
- Maximum amount payable as on the reporting date to the bank which is based on the amount of loans overdue for more than 75 days in respect to agreements with bank.

Further, the maximum liability is restricted to the cash outflow agreed in the agreement.

Compound financial instruments

Optionally convertible instruments are separated into liability and equity components based on the terms of the contract. On issuance of the said instruments, the liability component is arrived by discounting the gross sum (including redemption premium, if any) at a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortized cost until it is extinguished on conversion or redemption. The remainder of the proceeds is recognized as equity component of compound financial instrument. This is recognized and included in shareholders' equity, net of income tax effects, and not subsequently re-measured.

Offsetting of financial instruments

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

Derivative contracts

The Company enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit and loss using mark to market information.

Hedge Accounting

The Company makes use of derivative instruments to manage exposures to interest rate and foreign currency.

In order to manage particular risks, the Company applies hedge accounting for transactions that meet specified criteria.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging / economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the Company would assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an on-going basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the criteria for hedge accounting are accounted for, as described below:

Cash Flow Hedges

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognized asset or liability (such as all or some future interest payments on variable rate debt) or a highly probable forecast transaction and could affect profit or loss.

For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognized directly in OCI within equity (cash flow hedge reserve). The ineffective portion of the gain or loss on the hedging instrument is recognized immediately as Finance Cost in the statement of profit and loss.

When the hedged cash flow affects the statement of profit and loss, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the statement of profit and loss.

When a hedging instrument expires, is sold, terminated, exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss that has been recognized in OCI at that time remains in OCI and is recognized when the hedged forecast transaction is ultimately recognized in the statement of profit and loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in OCI is immediately transferred to the statement of profit and loss.

Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date using valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

a) In the principal market for the asset or liability, or
b) In the absence of a principal market, in the most advantageous market for the asset or liability.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured are categorized with fair value hierarchy into Level I, Level II and Level III based on level of input.

q) Earnings per share

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

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

r) Segment reporting

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

s) Foreign currency

Functional and presentation currency

Items included in the financial statement of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements have been prepared and presented in Indian Rupees (INR), which is the Company's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency, by applying the exchange rates on the foreign currency amounts at the date of the transaction. Foreign currency monetary items outstanding at the balance sheet date are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the Statement of Profit and Loss in the year in which they arise.

t) Government grants

Grants and subsidies from the government are recognized when there is reasonable assurance that (i) the Company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

Grant or subsidy relates to revenue, it is recognized as income on a systematic basis in profit or loss over the periods necessary to match them with the related costs, which they are intended to compensate.

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

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

Significant management judgements

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

Business model assessment - The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortized cost that are derecognized prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and accordingly prospective change to the classification of those assets are made.

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

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

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

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

Significant estimates

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

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

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

v) Statement of Cash Flows

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method adjusting the net profit for the effects of:

I. Changes during the period in operating receivables and payables transactions of a non-cash nature;

II. Non-cash items such as depreciation, provisions, deferred taxes, unrealized foreign currency gains and losses; and

III. All other items for which the cash effects are investing or financing cash flows.

(All amounts in INR lakhs, unless otherwise stated)

4. CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2022	As at March 31, 2021
Cash on hand	4,758.22	4,330.40
Balances with banks and financial institutions		
- Balance with banks in current accounts*	72,134.78	54,144.53
- Deposits for original maturity of less than 3 months	28,007.58	52,550.57
- Balance with banks and financial institutions to the extent held as margin money deposits against borrowings and guarantees	-	1,043.08
Total	**1,04,900.58**	**1,12,068.58**

*Balance in current accounts includes balance of INR 1.66 lakhs (March 31, 2021 : Nil) which is earmarked for unpaid dividend.

5. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2022	As at March 31, 2021
Deposits for remaining maturity of more than 3 months and upto 12 months	4,128.44	8,770.88
Balance with banks and financial institutions to the extent held as margin money deposits against borrowings and guarantees	82,436.94	65,424.43
Total	**86,565.38**	**74,195.31**

The amount under lien as security against term loan and overdraft facility availed, assets securitized, first loss default guarantee are as follows (included above in note 4 and 5):-

Particulars	As at March 31, 2022	As at March 31, 2021
Term loans	33,468.09	25,043.62
Overdraft facilities	39,381.51	38,056.84
Securitizations	6,796.83	748.16
Derivatives	597.68	564.77
Bank guarantee against rights issue	64.63	61.98
Security against first loss default guarantee	2,125.75	1,989.75
Security against facilities	2.45	2.39
Total	**82,436.94**	**66,467.51**

6. DERIVATIVE FINANCIAL INSTRUMENTS

Particulars	As at March 31, 2022		As at March 31, 2021	
	Notional amounts (INR)	Fair value (INR)	Notional amounts (INR)	Fair value (INR)
Currency and interest swap	31,161.35	1,192.75	27,089.80	34.13
	31,161.35	**1,192.75**	**27,089.80**	**34.13**
Included in above are derivative held for risk management purpose as follows:				
Derivative designated as hedge:				
Cash flow hedge:				
Currency and interest swap				
Undesignated derivative	**31,161.35**	**1,192.75**	**27,089.80**	**34.13**
Total	**31,161.35**	**1,192.75**	**27,089.80**	**34.13**

The Company enters into derivative contracts for risk management purposes.

The table above represents the fair value of derivative financial instruments recorded as assets together with the notional amounts.

The notional amounts indicates the value of transaction outstanding at the year end and are not indicative of either the market risk or credit risk.

The Company is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are foreign currency risk and interest rate risk. The Company's risk management strategy and how it is applied to manage risk are explained below.

(All amounts in INR lakhs, unless otherwise stated)

Derivatives designated as hedging instruments

Foreign currency risk

The Company is exposed to foreign currency risk arising from its fixed rate foreign currency borrowing amounting to USD 9.4 million. Interest on the borrowing is payable at a fixed rate of 5.93% per annum. (on semi-annual basis starting from February 05, 2020) and the principal amount is repayable on August 05, 2022. The Company economically hedged the foreign currency risk arising from the debt with a 'receive fixed pay fixed' cross-currency interest rate swap ('swap') on July 24, 2019. The notional amount of swap is INR 6,487.41 lakhs. The swap contract converts the cash outflows of the foreign currency fixed rate borrowing of USD 9.4 million to cash outflows in INR with a notional amount of INR 6,487.41 lakhs and fixed interest of 11.18% per annum.

Offsetting

The Company does not have derivative financial assets and financial liabilities which are subject to master netting arrangements. Master netting arrangements are those arrangements wherein in the case of insolvency, derivative financial assets and financial liabilities will be settled on a net basis.

7. TRADE RECEIVABLES (AT AMORTIZED COST)

Particulars	As at March 31, 2022	As at March 31, 2021
Considered good - unsecured	248.96	1,460.92
	248.96	**1,460.92**
Less: Impairment loss allowance	(9.55)	-
Total	**239.41**	**1,460.92**

TRADE RECEIVABLES AGEING SCHEDULE

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables – considered good	240.04	-	-	-	-	240.04
(ii) Undisputed trade receivables – credit impaired	-	1.99	2.67	4.26	-	8.92
(iii) Disputed trade receivables – considered good	-	-	-	-	-	-
(iv) Disputed trade receivables – credit impaired	-	-	-	-	-	-
As at March 31, 2022	**240.04**	**1.99**	**2.67**	**4.26**	**-**	**248.96**
(i) Undisputed trade receivables – considered good	1,435.78	2.34	22.80	-	-	1,460.92
(ii) Undisputed trade Receivables – credit impaired	-	-	-	-	-	-
(iii) Disputed trade receivables – considered good	-	-	-	-	-	-
(iv) Disputed trade receivables – credit impaired	-	-	-	-	-	-
As at March 31, 2021	**1,435.78**	**2.34**	**22.80**	**-**	**-**	**1,460.92**

The Company does not have any receivables which are either credit impaired or where there is significant increase in credit risk other than those which are provided for.

(All amounts in INR lakhs, unless otherwise stated)

8. LOANS

Particulars	As at March 31, 2022		As at March 31, 2021	
	At fair value through other comprehensive income	At amortized cost	At fair value through other comprehensive income	At amortized cost
Portfolio loans	3,88,533.16	1,01,206.60	5,05,504.25	45,991.98
	3,88,533.16	**1,01,206.60**	**5,05,504.25**	**45,991.98**
Secured	-	4,017.13	-	16,950.41
Unsecured*	3,88,533.16	97,189.47	5,05,504.25	29,041.57
	3,88,533.16	**1,01,206.60**	**5,05,504.25**	**45,991.98**
Total loans		**4,89,739.76**		**5,51,496.23**

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Secured by property, plant and equipment including land and building	2,283.85	15,786.91
(ii) Secured by book debts, inventories, margin money and other working capital items	1,733.28	1,163.50
(iii) Unsecured	4,85,722.63	5,34,545.82
Total	**4,89,739.76**	**5,51,496.23**
Loans in India		
(i) Public sector	-	-
(ii) Others	4,89,739.76	5,51,496.23
Total	**4,89,739.76**	**5,51,496.23**

*Unsecured portfolio measured at amortised cost of INR 5,314.81 lakhs (balance as on February 28, 2022 i.e. cut off date) sold to an asset reconstruction company at a value of INR 5,300 lakhs on March 28, 2022. Loss on such sale is netted off from net gain as disclosed in Note 32. There are recoveries subsequent to sale on such portfolio and balance outstanding as on March 31, 2022 is INR 5,254.77 lakhs.

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

(All amounts in INR lakhs, unless otherwise stated)

9. INVESTMENTS

Particulars	As at March 31, 2022					As at March 31, 2021		
	Amortized cost	At fair value		Cost	Total	At fair value value	Cost	Total
		Through other comprehensive income	Through profit and loss			Through profit and loss		
Equity instruments								
Subsidiaries*								
16,040,025 (March 31, 2021 : 16,040,025) equity shares of face value of INR 10 each of Taraashna Financial Services Limited~	-	-	-	8,510.24	8,510.24	-	8,510.24	8,510.24
100,000,000 (March 31, 2021 : 95,000,000) equity shares of face value of INR 10 each of Satin Housing Finance Limited	-	-	-	10,000.00	10,000.00	-	9,500.00	9,500.00
102,500,000 (March 31, 2021 : 102,500,000) equity shares of face value of INR 10 each of Satin Finserv Limited~	-	-	-	10,250.00	10,250.00	-	10,250.00	10,250.00
Others								
50,000 (March 31, 2021 : 50,000) equity shares of face value of INR 10 each of Alpha Micro Finance Consultants Private Limited#	-	-	-	-	-	-	-	-
Preferential instruments								
21,845 (March 31, 2021 : Nil) Compulsory Convertible Preference Shares of face value of INR 10 each of Jay Kay Financial Technologies Private Limited	110.00	-	-	-	110.00	-	-	-
Pass through certificates (unquoted)	181.87	-	-	-	181.87	-	-	-
Security Receipts								
4,50,500 (March 31, 2021 : Nil) security receipts in Prudent Trust 67/22 (Trust floated by Prudent ARC Limited)		4,505.00	-	-	4,505.00	-	-	-
Mutual funds								
294,091.70 (March 31, 2021 : 294,091.70) units in Union Dynamic Bond Fund	-	-	59.24	-	59.24	57.55	-	57.55
Government securities								
500 (March 31, 2021 : 500), Government of India, Inscribed stock having face value INR 100 each	-	-	0.51	-	0.51	0.51	-	0.51
Total	**291.87**	**4,505.00**	**59.75**	**28,760.24**	**33,616.86**	**58.06**	**28,260.24**	**28,318.30**
Investments in India	291.87	4,505.00	59.75	28,760.24	33,616.86	58.06	28,260.24	28,318.30
Investments outside India	-	-	-	-	-	-	-	-
Total	**291.87**	**4,505.00**	**59.75**	**28,760.24**	**33,616.86**	**58.06**	**28,260.24**	**28,318.30**

Investment designated at FVTPL includes commercial papers of various Companies. The Company has not entered in to any credit derivative to mitigate the credit risk (if any).

Name of Subsidiaries	Principle place of business	Ownership interest	
		As at March 31, 2022	As at March 31, 2021
Taraashna Financial Services Limited~	India	100.00%	100.00%
Satin Housing Finance Limited	India	100.00%	100.00%
Satin Finserv Limited~	India	100.00%	100.00%

*Investment in subsidiaries are measured at cost as per Ind AS 27 'Separate Financial Statements'.

#Investment had been written off in the financial year 2018-19 and therefore shown at zero value.

~The Board of Directors of two wholly owned subsidiaries of the Company namely, Taraashna Financial Services Limited ("TFSL") and Satin Finserv Limited ("SFL"), in their respective meetings held on August 03, 2021, have considered and approved the Scheme of Arrangement for Amalgamation of TFSL ("Transferor Company") with SFL ("Transferee Company") and their respective shareholders and creditors ('Scheme') under Sections 230 to 232 of the Companies Act, 2013 ("Act") and other applicable provisions of the Act and rules made thereunder. Consequently, the first motion application has been filed before Hon'ble NCLT, Chandigarh Bench after obtaining requisite NOCs from shareholders and creditors of TFSL and SFL. The said first motion application is reserved and allowed by the said Hon'ble NCLT on hearing dated April 06, 2022.

(All amounts in INR lakhs, unless otherwise stated)

10. OTHER FINANCIAL ASSETS

Particulars	As at March 31, 2022	As at March 31, 2021
Security deposits	206.56	290.10
Staff advances	46.23	194.82
Insurance recoverable	482.87	644.75
Amount receivable against Mudra Interest Subvention Scheme	9.75	-
Other recoverable	1,363.87	2,033.18
	2,109.28	**3,162.85**
Less: Impairment loss allowance	(4.14)	(6.43)
Total	**2,105.14**	**3,156.42**

11. DEFERRED TAX ASSETS/(LIABILITIES) (NET)

Particulars	As at March 31, 2022	As at March 31, 2021
(A) Deferred tax assets		
Provision for employee benefits	193.83	314.09
Difference in written down value as per Companies Act and Income Tax Act	200.57	202.94
Impairment loss allowance and first loss default guarantee	9,101.61	7,798.47
Liability against leases	126.07	166.04
Total deferred tax assets	**9,622.08**	**8,481.54**
(B) Deferred tax liabilities		
Financial liabilities measured at amortized cost	8.35	18.52
Financial assets measured at amortized cost	296.78	1.32
Fair valuation of loan assets through other comprehensive income	323.31	1,309.21
Right of use assets	103.58	146.35
Deferment of excess interest spread	2,078.86	2,396.28
Total deferred tax liabilities	**2,810.88**	**3,871.68**
Net deferred tax assets/(liabilities)	**6,811.20**	**4,609.86**

(i) Movement in deferred tax assets / (liabilities) (net)

Particulars	As at March 31, 2021	(Charged)/ credited to statement of profit and loss	(Charged)/ credited to other comprehensive income	As at March 31, 2022
Assets				
Provision for employee benefits	314.09	(117.01)	(3.25)	193.83
Difference in written down value as per Companies Act and Income Tax Act	202.94	(2.37)	-	200.57
Impairment loss allowance and first loss default guarantee	7,798.47	1,303.14	-	9,101.61
Liability against leases	166.04	(39.96)	-	126.07
Liabilities				
Financial liabilities measured at amortized cost	18.52	(10.17)	-	8.35
Financial assets measured at amortized cost	1.32	295.45	-	296.78
Fair valuation of loan assets through other comprehensive income	1,309.21	-	(985.90)	323.31
Right of use assets	146.35	(42.77)	-	103.58
Deferment of excess interest spread	2,396.28	(317.42)	-	2,078.86
Total (net)	**4,609.86**	**1,218.71**	**982.65**	**6,811.20**

(All amounts in INR lakhs, unless otherwise stated)

Particulars	As at April 1, 2020	(Charged)/ credited to statement of profit and loss	(Charged)/ credited to other comprehensive income	As at March 31, 2021
Assets				
Provision for employee benefits	229.01	63.28	21.80	314.09
Difference in written down value as per Companies Act and Income Tax Act	232.29	(29.35)	-	202.94
Financial assets measured at amortized cost	3.71	(3.71)	-	-
Impairment loss allowance and first loss default guarantee	4,162.40	3,636.07	-	7,798.47
Liability against leases	226.62	(60.58)	-	166.04
Liabilities				
Financial liabilities measured at amortized cost	39.38	(20.86)	-	18.52
Financial assets measured at amortized cost	-	1.32	-	1.32
Fair valuation of financial instruments through profit and loss	2.70	(2.70)	-	-
Fair valuation of loan assets through other comprehensive income	2,439.19	0.01	(1,129.99)	1,309.21
Cash flow hedge reserve	23.50	(6.92)	(16.58)	-
Right of use assets	213.88	(67.53)	-	146.35
Deferment of excess interest spread	3,277.42	(881.14)	-	2,396.28
Total (net)	**(1,142.04)**	**4,583.53**	**1,168.37**	**4,609.86**

12. INVESTMENT PROPERTY

Particulars	As at March 31, 2022	As at March 31, 2021
A. Reconciliation of carrying amount (Cost or deemed cost)		
Opening balance	729.24	-
Additions during the year	40.28	729.24
Total	**769.52**	**729.24**
Accumulated depreciation		
Opening balance	35.51	-
Additions during the year	35.75	35.51
Total	**71.26**	**35.51**
Carrying amounts (Balance at date)	**698.26**	**693.73**
B. Amounts recognized in Statement of profit and loss for investment property		
Rental income	24.60	17.10
Less: Depreciation expense	35.75	35.51
Loss from investment property	**(11.15)**	**(18.41)**
C. Measurement of fair value		
Investment property	789.06	789.06
	789.06	**789.06**

The Company's investment properties consist of two residential properties in India. The fair values of the properties are INR 789.06 lakhs. These valuations are based on valuations performed by an independent valuer, the valuer is a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017. Valuation techniques used by the valuer is fair market value.

The Company has no restrictions on the realizability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

(All amounts in INR lakhs, unless otherwise stated)

13 . PROPERTY, PLANT AND EQUIPMENT

Gross carrying amount	Freehold land	Buildings (refer note (i))	Right of use (Leased building)	Computer equipment	Electric equipment	Office equipment	Furniture and fixtures	Vehicles (refer note (iii))	Total	Capital work in progress
Balance as at April 1, 2020	**1,518.37**	**1,587.32**	**1,336.95**	**2,571.98**	**-**	**659.82**	**1,422.14**	**218.50**	**9,315.08**	**3,413.64**
Property, plant and equipment reclassified to Investment Property	-	(818.56)	-	-	-	-	-	-	(818.56)	
Additions	-	3,162.77	83.00	464.14	817.30	151.83	423.95	52.73	5,155.72	1,536.38
Disposals	-	-	(128.19)	(73.91)	-	(53.76)	(2.67)	(29.96)	(288.49)	(4,585.06)
Balance as at March 31, 2021	**1,518.37**	**3,931.53**	**1,291.76**	**2,962.21**	**817.30**	**757.89**	**1,843.42**	**241.27**	**13,363.75**	**364.96**
Additions	-	566.80	14.71	114.81	-	56.87	53.46	85.87	892.52	219.73
Disposals	-	-	(19.44)	(558.23)	-	(108.30)	(149.64)	(63.50)	(899.11)	(566.80)
Balance as at March 31, 2022	**1,518.37**	**4,498.33**	**1,287.03**	**2,518.79**	**817.30**	**706.46**	**1,747.24**	**263.64**	**13,357.16**	**17.89**
Accumulated depreciation										
Balance as at April 1, 2020	**-**	**417.19**	**487.13**	**1,836.53**	**-**	**460.64**	**747.03**	**125.32**	**4,073.84**	**-**
Accumulated depreciation transfer to investment property	-	(89.32)	-	-	-	-	-	-	(89.32)	-
Additions	-	49.72	307.23	493.46	29.62	102.31	196.61	32.92	1,211.87	-
Disposals	-	-	(83.48)	(65.91)		(46.89)	(1.99)	(18.74)	(217.01)	-
Balance as at March 31, 2021	**-**	**377.59**	**710.88**	**2,264.08**	**29.62**	**516.06**	**941.65**	**139.50**	**4,979.38**	**-**
Additions	-	175.86	175.77	376.88	144.69	117.02	236.76	39.99	1,266.97	-
Disposals	-	-	(11.19)	(516.03)	-	(101.13)	(119.69)	(42.49)	(790.53)	-
Balance as at March 31, 2022	**-**	**553.45**	**875.46**	**2,124.93**	**174.31**	**531.95**	**1,058.72**	**137.00**	**5,455.82**	**-**
Net block										
Balance as at March 31, 2021	**1,518.37**	**3,553.94**	**580.88**	**698.13**	**787.68**	**241.83**	**901.77**	**101.77**	**8,384.37**	**364.96**
Balance as at March 31, 2022	**1,518.37**	**3,944.88**	**411.57**	**393.86**	**642.99**	**174.51**	**688.52**	**126.64**	**7,901.34**	**17.89**

Notes:

(i) Details of property not held in the name of the Company

Particulars	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is promoter, director or relative of promoter / director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the Company
Property, plant & equipment	Buildings	292.00	Satin Intellicomm Limited	No	March 29, 2007	Buildings acquired under amalgamation. Transfer formalities are yet to be completed.

(ii) For disclosure of contractual commitments to be executed on capital account, refer note 51.

(iii) Vehicles are taken on finance lease; monthly installments are paid as per agreed terms and conditions.

(iv) Property, plant and equipment have been mortgaged/pledged as security for borrowings, refer note 52.

(v) Capital work in progress ageing schedule.

Capital Work in Progress	Amount in CWIP for a period of				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress					
As at March 31, 2022	17.89	-	-	-	17.89
As at March 31, 2021	364.96	-	-	-	364.96

(All amounts in INR lakhs, unless otherwise stated)

14. OTHER INTANGIBLE ASSETS

Particulars	Computer software	Total
Gross carrying amount		
Balance as at April 1, 2020	**1,239.21**	**1,239.21**
Additions		
- Additions – being internally developed	-	-
- Additions – others	0.08	0.08
Adjustment on account of disposals	-	-
Balance as at March 31, 2021	**1,239.29**	**1,239.29**
Additions		
- Additions – being internally developed	-	-
- Additions – others	-	-
Adjustment on account of disposals	-	-
Balance as at March 31, 2022	**1,239.29**	**1,239.29**
Accumulated amortization		
Balance as at April 1, 2020	**861.04**	**861.04**
Amortization charge for the year	89.46	89.46
Adjustment on account of disposals	-	-
Balance as at March 31, 2021	**950.50**	**950.50**
Amortization charge for the year	76.08	76.08
Adjustment on account of disposals	-	-
Balance as at March 31, 2022	**1,026.58**	**1,026.58**
Net block		
Balance as at March 31, 2021	**288.79**	**288.79**
Balance as at March 31, 2022	**212.71**	**212.71**

15. OTHER NON-FINANCIAL ASSETS

Particulars	As at March 31, 2022	As at March 31, 2021
Prepaid expenses	1,035.02	752.11
Balances with government authorities	147.70	108.74
Capital advances	-	66.72
Gratuity fund assets (refer note 47)	-	68.19
Other assets	2,356.50	1,384.06
Total	**3,539.22**	**2,379.82**

16. TRADE PAYABLES

Particulars	As at March 31, 2022	As at March 31, 2021
Total outstanding dues of micro enterprises and small enterprises (refer to note 58)	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,049.81	792.62
Total	**1,049.81**	**792.62**

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	1,049.81	-	-	-	1,049.81
(iii) Disputed dues – MSME	-	-	-	-	-
(iv)Disputed dues - Others	-	-	-	-	-

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2022	**1,049.81**	**-**	**-**	**-**	**1,049.81**
(i) MSME	-	-	-	-	-
(ii) Others	792.62	-	-	-	792.62
(iii) Disputed dues – MSME	-	-	-	-	-
(iv)Disputed dues - Others	-	-	-	-	-
As at March 31, 2021	**792.62**	**-**	**-**	**-**	**792.62**

17. OTHER PAYABLES

Particulars	As at March 31, 2022	As at March 31, 2021
Total outstanding dues of micro enterprises and small enterprises (refer to note 58)	172.02	223.90
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,371.54	1,434.68
Total	**1,543.56**	**1,658.58**

18. DEBT SECURITIES (AT AMORTIZED COST)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-convertible debentures	1,18,743.75	1,70,507.14
Total	**1,18,743.75**	**1,70,507.14**
Debt securities in India	1,18,743.75	1,70,507.14
Debt securities outside India	-	-
Total	**1,18,743.75**	**1,70,507.14**

(A) Non-convertible debentures (secured)

	Particulars	Terms of repayment	As at March 31, 2022	As at March 31, 2021
1	373 (March 31, 2021: Nil), @11.5000% (Previous year: Nil), Secured, Rated, Listed, Redeemable, Transferable, Non-Convertible Debentures of face value of INR 10,00,000 each (March 31, 2021: INR Nil). The date of allotment is September 02, 2021. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding and interest accrued.)	Redeemable at par on September 02, 2026 and frequency of Interest payment is half yearly.	3,730.00	-
2	300 (March 31, 2021: Nil), @11.7702% (Previous year: Nil), Secured, Rated, Listed, Redeemable, Transferable, Non-Convertible Debentures of face value of INR 10,00,000 each (March 31, 2021: INR Nil). The date of allotment is March 30, 2022. (Secured by way of hypothecation of book debt which shall be maintained at 105% of principal amount of the debentures outstanding and interest accrued.)	Redeemable at par on March 30, 2026 and frequency of Interest payment is half yearly.	3,000.00	-
3	750 (March 31, 2021: Nil), @11.7702% (Previous year: Nil), Secured, Rated, Listed, Redeemable, Transferable, Non-Convertible Debentures of face value of INR 10,00,000 each (March 31, 2021: INR Nil). The date of allotment is March 7, 2022. (Secured by way of hypothecation of book debt which shall be maintained at 105% of principal amount of the debentures outstanding and interest accrued.)	Redeemable at par on March 6, 2026 and frequency of Interest payment is half yearly.	7,500.00	-

(All amounts in INR lakhs, unless otherwise stated)

Non-convertible debentures (secured) (Contd.)

	Particulars	Terms of repayment	As at March 31, 2022	As at March 31, 2021
4	2,130 (March 31, 2021: 2,130), @11.095% (Previous year : 11.095%), Secured, Not Guaranteed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Non-Convertible Debentures of face value of INR 5,71,428.58 each (March 31, 2021: INR 8,57,142.72 each). The date of allotment is December 14, 2018. (Secured by way of hypothecation of book debts which shall be maintained at 100% of principal amount and coupon of the debentures outstanding.)	Redeemable on December 14, 2023 and frequency of Interest payment is half yearly.	12,171.43	18,257.14
5	1200 (March 31, 2021: 1200), @11.45% (Previous year: 11.45%), Secured, Not Guaranteed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Non-Convertible Debentures of face value of INR 7,50,000 each (March 31, 2021: INR 10,00,000 each). The date of allotment is September 27, 2019. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding.)	Redeemable at par on September 27, 2023 and frequency of Interest payment is half yearly.	9,000.00	12,000.00
6	970 (March 31, 2021: 970), @11.4000% (Previous year : 11.6757%), Secured, Rated, Listed, Redeemable, Non-Convertible Debentures of face value of INR 10,00,000 each (March 31, 2021: INR 10,00,000 each). The date of allotment is July 31, 2018 and roll over date is July 27, 2021. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding.)	Redeemable on July 31, 2023 and frequency of Interest payment is half yearly.	9,700.00	9,700.00
7	250 (March 31, 2021: 250) @10.95% (Previous year: 10.95%), Secured, Not Guaranteed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Non-Convertible Debentures of face value of INR 6,66,667 each (March 31, 2021: INR 10,00,000 each). The date of allotment is July 31, 2020. (Secured by way of hypothecation of book debt which shall be maintained at 110% of principal amount of the debentures outstanding.)	Redeemable at par on July 31, 2023 and frequency of Interest payment is half yearly.	1,666.67	2,500.00
8	250 (March 31, 2021: 250) @11.00% (Previous year: 11.00%), Secured, Not Guaranteed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Non-Convertible Debentures of face value of INR 10,00,000 each (March 31, 2021: INR 10,00,000 each). The date of allotment is July 28, 2020. (Secured by way of hypothecation of book debt which shall be maintained at 110% of principal amount of the debentures outstanding and interest accrued.)	Redeemable at par on July 28, 2023 and frequency of Interest payment is quarterly.	2,500.00	2,500.00
9	200 (March 31, 2021: 200), @12.75% (Previous year : 12.75%), Secured, Rated, Listed, Redeemable, Transferable, Non-Convertible Debentures of face value of INR 25,00,000 each (March 31, 2021: INR 25,00,000 each). The date of allotment is July 15, 2014 and roll over date is July 15, 2020. (Secured by way of hypothecation of book debts which shall be maintained at 110% of principal amount of the debentures outstanding.)	Redeemable at par on June 30, 2023 and frequency of Interest payment is half yearly.	5,000.00	5,000.00
10	250 (March 31, 2021: 250) @11.25% (Previous year: 11.25%), Secured, Not Guaranteed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Non-Convertible Debentures of face value of INR 10,00,000 each (March 31, 2021: INR 10,00,000 each). The date of allotment is June 30, 2020. (Secured by way of hypothecation of book debt which shall be maintained at 110% of principal amount of the debentures outstanding.)	Redeemable at par on June 30, 2023 and frequency of Interest payment is annually.	2,500.00	2,500.00

(All amounts in INR lakhs, unless otherwise stated)

Non-convertible debentures (secured) (Contd.)

	Particulars	Terms of repayment	As at March 31, 2022	As at March 31, 2021
11	18,750 (March 31, 2021: 18,750) @11.10% (Previous year: 11.10%), Secured, Not Guaranteed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Non-Convertible Debentures of face value of INR 1,00,000 each (March 31, 2021: INR 1,00,000 each). The date of allotment is December 22, 2020. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding.)	Redeemable INR 18,748.13 lakhs(99.99%) on June 05, 2023 and rest INR 1.87 lakhs(.01%) on June 05, 2025 and frequency of Interest payment is half yearly.	18,750.00	18,750.00
12	600 (March 31, 2021: 600) @11.50% (Previous year: 11.50%), Secured, Not Guaranteed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Non-Convertible Debentures of face value of INR 10,00,000 each (March 31, 2021: INR 10,00,000 each). The date of allotment is October 23, 2020. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding with exclusivity on security interest.)	Redeemable INR 1,500 lakhs(25%) on April 24, 2023, INR 1,500 lakhs(25%) on October 24, 2023 rest INR 3,000 lakhs(50%) on April 23, 2024 and frequency of Interest payment is half yearly.	6,000.00	6,000.00
13	650 (March 31, 2021: 650), @12.06% (Previous year : 12.06%), Secured, Not Guaranteed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Non-Convertible Debentures of face value of INR 10,00,000 each (March 31, 2021: INR 10,00,000 each). The date of allotment is October 03, 2017. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding.)	Redeemable on October 03, 2022 and frequency of Interest payment is half yearly.	6,500.00	6,500.00
14	1,500 (March 31, 2021: 1500) @10.30% (Previous year: 10.30%), Secured, Partially Guaranteed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Non-Convertible Debentures of face value of INR 2,50,000 each (March 31, 2021: INR 10,00,000 each). The date of allotment is December 31, 2020. (Secured by way of hypothecation of book debt which shall be maintained at 110% of entire redemption amount of the debentures outstanding.)	Redeemable INR 3,750 lakhs on October 02, 2021, INR 3,750 lakhs on December 31, 2021, INR 3,750 lakhs March 31, 2022 and INR 3,750 lakh son June 30, 2022 and frequency of Interest payment is quarterly.	3,750.00	15,000.00
15	680 (March 31, 2021: 680), @11.70% (Previous year : 11.70%), Secured, Rated, Listed, Redeemable, Non-Convertible Debentures of face value of INR 10,00,000 each (March 31, 2021: INR 10,00,000 each). The date of allotment is June 15, 2016. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding.)	Redeemable at par on June 15,2022 (in case second put/call option is exercised, otherwise if put/call option not exercised then redeemable at par on June 15, 2025) and frequency of Interest payment is half yearly.	6,800.00	6,800.00

(All amounts in INR lakhs, unless otherwise stated)

Non-convertible debentures (secured) (Contd.)

	Particulars	Terms of repayment	As at March 31, 2022	As at March 31, 2021
16	500 (March 31, 2021: 500) @10.20% (Previous year: 10.20%), Secured, Guaranteed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Non-Convertible Debentures of face value of INR 10,00,000 each (March 31, 2021: INR 10,00,000 each). The date of allotment is December 10, 2020. (Secured by way of hypothecation of book debt which shall be maintained at 125% of principal amount of the debentures outstanding.)	Redeemable at par on June 10, 2022 and frequency of Interest payment is annually.	5,000.00	5,000.00
17	250 (March 31, 2021: 250) @10.40% (Previous year: 10.40%), Secured, Partially Guaranteed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Non-Convertible Debentures of face value of INR 10,00,000 each (March 31, 2021: INR 10,00,000 each). The date of allotment is November 09, 2020. (Secured by way of hypothecation of book debt which shall be maintained at 110% of principal amount of the debentures outstanding.)	Redeemable at par on May 09, 2022 and frequency of Interest payment is annually.	2,500.00	2,500.00
18	9750 (March 31, 2021: 9750) @10.50% (Previous year: 10.50%), Secured, Not Guaranteed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Non-Convertible Debentures of face value of INR 50,000 each (March 31, 2021: INR 50,000 each) The date of allotment is December 16, 2020. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding.)	Redeemable at par INR 4,874.51 Lakhs(99.99%) on May 06, 2022 and rest INR 0.49 Lakhs(.01%) on May 06, 2024 and frequency of Interest payment is half yearly.	4,875.00	4,875.00
19	250 (March 31, 2021: 250) @10.25% (Previous year: 10.25%), Secured, Senior, Rated, Listed, Fully paid-up, Redeemable, Taxable, Transferable, Non-Convertible Debentures of face value of INR 10,00,000 each (March 31, 2021: INR 10,00,000 each). The date of allotment is October 13, 2020. (Secured by way of hypothecation of book debt which shall be maintained at 110% of principal amount of the debentures outstanding.)	Redeemable at par on April 13, 2022 and frequency of Interest payment is half yearly.	2,500.00	2,500.00
20	Nil (March 31, 2021: 1750) @Nil (Previous year: 10.40%), Secured, Partially Guaranteed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Non-Convertible Debentures of face value of INR Nil (March 31, 2021: INR 10,00,000 each). The date of allotment is September 30, 2020. (Secured by way of hypothecation of book debt which shall be maintained at 110% of principal amount of the debentures outstanding.)	Redeemable at par on March 30, 2022 and frequency of Interest payment is annually.	-	17,500.00
21	Nil (March 31, 2021: 500) @Nil (Previous year: 10.25%), Secured, Partially Guaranteed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Non-Convertible Debentures of face value of INR Nil (March 31, 2021: INR 10,00,000 each). The date of allotment is September 15, 2020. (Secured by way of hypothecation of book debt which shall be maintained at 115% of principal amount of the debentures outstanding.)	Redeemable at par on March 15, 2022 and frequency of Interest payment is half yearly.	-	5,000.00
22	Nil (March 31, 2021: 500) @Nil (Previous year: 10.20 %), Secured, Senior, Rated, Listed, Fully paid-up, Redeemable, Taxable, Transferable, Non-Convertible Debentures of face value of INR Nil (March 31, 2021: INR 10,00,000 each). The date of allotment is August 31, 2020. (Secured by way of hypothecation of book debt which shall be maintained at 125% of principal amount of the debentures outstanding.)	Redeemable at par on February 28, 2022 and frequency of Interest payment is half yearly.	-	5,000.00

(All amounts in INR lakhs, unless otherwise stated)

Non-convertible debentures (secured) (Contd.)

	Particulars	Terms of repayment	As at March 31, 2022	As at March 31, 2021
23	Nil (March 31, 2021: 1000) @Nil (Previous year: 10.25%), Secured, Partially Guaranteed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Non-Convertible Debentures of face value of INR Nil (March 31, 2021: INR 10,00,000 each). The date of allotment is August 24, 2020. (Secured by way of hypothecation of book debt which shall be maintained at 115% of principal amount of the debentures outstanding.)	Redeemable at par on February 24, 2022 and frequency of Interest payment is half yearly.	-	10,000.00
24	Nil (March 31, 2021: 500) @Nil (Previous year: 10.25%), Secured, Not Guaranteed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Non-Convertible Debentures of face value of INR Nil (March 31, 2021: INR 10,00,000 each) .The date of allotment is August 18, 2020. (Secured by way of hypothecation of book debt which shall be maintained at 110% of principal amount of the debentures outstanding)	Redeemable at par on February 18, 2022 and frequency of Interest payment is annually.	-	5,000.00
25	Nil (March 31, 2021: 387), @Nil (Previous year : 11.00%), Secured, Rated, Listed, Redeemable, Transferable, Non-Convertible Debentures of face value of INR Nil (March 31, 2021: INR 10,00,000 each). The date of allotment is October 26, 2018. (Secured by way of hypothecation of book debts which shall be maintained at 100% of principal amount of the debentures outstanding.)	Redeemable on October 26, 2021 and frequency of Interest payment is half yearly.	-	3,870.00
26	Nil (March 31, 2021: 300), @Nil (Previous year : 10.60%), Secured, Rated, Unlisted, Redeemable, Transferable, Non-Convertible Debentures of face value of INR Nil (March 31, 2021: INR 1,38,887 each). The date of allotment is August 29, 2018. (Secured by way of hypothecation of book debts which shall be maintained at 100% of principal amount of the debentures outstanding.)	Redeemable at par on August 25, 2021, and frequency of Interest payment is monthly.	-	416.67
	Total (A)		**113,443.10**	**167,168.81**

(B) Non convertible debentures (unsecured)

	Particulars	Terms of repayment	As at March 31, 2022	As at March 31, 2021
1	570 (March 31, 2021: Nil), @11.50%, (Previous year: Nil) Unsecured, Not Guaranteed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Non-Convertible Debentures of face value of INR 10,00,000 (March 31, 2021: Nil). The date of allotment is February 28, 2022.	Redeemable at par on February 28, 2028 and frequency of Interest payment is half yearly.	5,700.00	-
2	Nil (March 31, 2021: 150) @Nil (Previous year: 11.69%), Unsecured, Not Guaranteed, Taxable, Non Cumulative, Rated, Redeemable, Non-Convertible Debentures of face value of INR Nil (March 31, 2021: INR 10,00,000). The date of allotment is August 07, 2020.	Redeemable at par on August 09, 2021 and frequency of Interest payment is monthly.	-	1,500.00
3	Nil (March 31, 2021: 2628), @Nil (Previous year: 14.15%) Rated, Unsecured, Listed, Senior, Redeemable, Taxable, Transferable, Non-Convertible Debentures of face value of INR Nil (March 31, 2021: INR 1,00,000). The date of allotment is October 05, 2015.	Redeemable at par on September 15, 2021 and frequency of Interest payment is half yearly.	-	2,628.00
Total (B)			**5,700.00**	**4,128.00**
Total (A+B)			**119,143.10**	**171,296.81**
Less: Unamortized transaction costs			(399.35)	(789.67)
Total			**118,743.75**	**170,507.14**

(All amounts in INR lakhs, unless otherwise stated)

19. BORROWINGS (OTHER THAN DEBT SECURITIES) (AT AMORTIZED COST)

Particulars	As at March 31, 2022	As at March 31, 2021
Term loans		
From banks		
Secured	2,00,853.59	1,93,111.83
From other parties		
Secured	78,493.77	1,41,645.17
Unsecured	-	-
Overdraft facility against term deposits		
From banks - secured	19,418.55	10,989.97
External commercial borrowings		
Secured	12,219.06	19,019.65
Unsecured	18,282.83	6,877.21
Commercial paper (unsecured)	2,441.29	3,838.25
Liability against securitized assets (secured)	50,294.24	5,501.35
Liability against leased assets (unsecured)	500.93	659.72
Total	**3,82,504.26**	**3,81,643.15**
Borrowings in India	3,52,002.37	3,55,746.29
Borrowings outside India	30,501.89	25,896.86
Total	**3,82,504.26**	**3,81,643.15**

20. SUBORDINATED LIABILITIES (AT AMORTIZED COST)

Particulars	As at March 31, 2022	As at March 31, 2021
Preference shares other than those that qualify as equity (refer notes A)	-	2,499.63
Non-convertible debentures (refer note B)	19,204.80	21,665.07
Term loans from banks	25,500.00	25,500.00
Term loans from parties other than banks	-	-
External commercial borrowings	329.93	748.09
Total	**45,034.73**	**50,412.79**
Subordinated liabilities in India	44,704.80	49,664.70
Subordinated liabilities outside India	329.93	748.09
Total	**45,034.73**	**50,412.79**

Notes:

A Preference shares

During the year ended March 31, 2017, the Company had allotted 2,50,00,000, 12.10% Rated, Cumulative, Non-Participative, Non-Convertible, Compulsorily Redeemable Preference Shares of face value of INR10 each fully paid-up for cash at an issue price of INR 10 each. During the financial year 2021-22, these preference shares have been redeemed on April 22, 2021.

(All amounts in INR lakhs, unless otherwise stated)

B Non convertible debentures (unsecured)

	Particulars	Terms of repayment	As at March 31, 2022	As at March 31, 2021
1	10,010 (March 31, 2021: 10,010), @ 13.14 % (March 31, 2021: 13.14%), Unsecured, Rated, Unlisted, Redeemable, Subordinated, Taxable, Transferable, Non-Convertible Debentures of face value of INR 50,000 each (March 31, 2021:INR 50,000 each)., The date of allotment is March 24, 2020.	Redeemable on April 24, 2027 and frequency of Interest payment is half yearly.	5,005.00	5,005.00
2	300 (March 31, 2021: 300), @15.50% (March 31, 2021: 15.50%), Unsecured, Rated, Listed, Redeemable, Subordinated, Taxable, Transferable, Non-Convertible Debentures of face value of INR 10,00,000 each (March 31, 2021:INR10,00,000 each). The date of allotment is December 17, 2019.	Redeemable on December 31, 2026 and frequency of Interest payment is half yearly.	3,000.00	3,000.00
3	100 (March 31, 2021: 100), @15.00% (March 31, 2021: 15.00%), Unsecured, Rated, Unlisted, Redeemable, Subordinated, Non-Convertible Debentures of face value of INR 10,00,000 each (March 31, 2021:INR10,00,000 each). The date of allotment is June 29, 2016.	Redeemable on June 30, 2023 and frequency of Interest payment is quarterly.	1,076.19	1,076.19
4	350 (March 31, 2021: 350), @13.85% (March 31, 2021: 13.85%), Unsecured, Unrated, Unlisted, Redeemable, Subordinated, Non-Convertible Debentures of face value of INR 10,00,000 each (March 31, 2021:INR10,00,000 each). The date of allotment is March 29, 2017.	Redeemable on April 30, 2023 and frequency of Interest payment is quarterly.	3,500.00	3,500.00
5	100 (March 31, 2021: 100), @15.00% (March 31, 2021: 15.00%), Unsecured, Rated, Unlisted, Redeemable, Subordinated, Non-Convertible Debentures of face value of INR 10,00,000 each (March 31, 2021:INR10,00,000 each). The date of allotment is June 29, 2016.	Redeemable on March 31, 2023 and frequency of Interest payment is quarterly.	1,076.19	1,076.19
6	100 (March 31, 2021: 100), @15.00% (March 31, 2021: 15.00%), Unsecured, Rated, Unlisted, Redeemable, Subordinated, Non-Convertible Debentures of face value of INR10,00,000 each (March 31, 2021:INR10,00,000 each). The date of allotment is June 29, 2016.	Redeemable on December 31, 2022 and frequency of Interest payment is quarterly.	1,076.19	1,076.19
7	100 (March 31, 2021: 100), @15.00% (March 31, 2021: 15.00%), Unsecured, Rated, Unlisted, Redeemable, Subordinated, Non-Convertible Debentures of face value of INR10,00,000 each (March 31, 2021:INR10,00,000 each). The date of allotment is June 29, 2016.	Redeemable on September 30, 2022 and frequency of Interest payment is quarterly.	1,076.19	1,076.19
8	100 (March 31, 2021: 100), @15.50% (March 31, 2021: 15.50%), Unsecured, Rated, Unlisted, Redeemable, Subordinated, Non-Convertible Debentures of face value of INR10,00,000 each (March 31, 2021:INR10,00,000 each). The date of allotment is June 28, 2016.	Redeemable on September 28, 2022 and frequency of Interest payment is quarterly.	1,000.00	1,000.00
9	250 (March 31, 2021: 250), @15.50% (March 31, 2021: 15.50%), Unsecured, Rated, Subordinated, Redeemable, Non-Convertible Debentures of face value of INR10,00,000 each (March 31, 2021:INR10,00,000 each). The date of allotment is December 30, 2015.	Redeemable on April 15, 2022 and frequency of Interest payment is quarterly.	2,500.00	2,500.00
10	Nil (March 31, 2021: 250), @Nil (March 31, 2021: IDFC 1YR MCLR + 5.90 spread i.e.15.10%), Unsecured, Rated, Redeemable, Subordinated, Listed, Transferable, Non-Convertible Debentures of face value of INR 10,00,000 each (March 31, 2021: INR 10,00,000). The date of allotment is June 30, 2015.	Redeemable on June 30, 2021 and frequency of Interest payment is quarterly.	-	2,500.00
	Total		**19,309.76**	**21,809.76**
	Less: Unamortized transaction costs		(104.96)	(144.69)
	Total		**19,204.80**	**21,665.07**

(All amounts in INR lakhs, unless otherwise stated)

Reconciliation of liabilities arising from financing activities

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

Particulars	Debt securities	Borrowings (other than debt)	Subordinated liabilities	Liability against leased assets	Total
April 01, 2020	**86,386.14**	**3,99,313.31**	**54,308.13**	**900.41**	**5,40,907.99**
Adoption of Ind AS 116					
Cash flows:					
- Repayment	(21,542.85)	(2,57,285.07)	(4,169.77)	(352.74)	(2,83,350.43)
- Proceeds from overdraft facility	-	(2,803.20)	-	-	(2,803.20)
- Proceeds other than overdraft facility	1,06,125.00	2,41,558.61	-	-	3,47,683.61
	84,582.15	**(18,529.66)**	**(4,169.77)**	**(352.74)**	**61,529.98**
Non cash:					
- Addition during the year	-	163.19	304.77	83.00	550.96
- Foreign exchange	-	(291.98)	(89.19)	-	(381.17)
- Amortization of upfront fees and others	301.83	1,837.90	58.85	-	2,198.58
- Deferment of upfront processing fee	(762.98)	(1,509.33)	-	-	(2,272.31)
- Others	-	-	-	29.05	29.05
March 31, 2021	**1,70,507.14**	**3,80,983.43**	**50,412.79**	**659.72**	**6,02,563.08**
Cash flows:					
- Repayment	(81,783.71)	(3,10,460.73)	(5,369.41)	(220.70)	(3,97,834.55)
- Proceeds from overdraft facility	-	8,428.58	-	-	8,428.58
- Proceeds other than overdraft facility	29,630.00	3,02,591.32	-	-	3,32,221.32
	(52,153.71)	**559.17**	**(5,369.41)**	**(220.70)**	**(57,184.65)**
Non cash:					
- Addition during the year	-	-	-	14.71	14.71
- Foreign exchange	-	418.11	(50.19)	-	367.92
- Amortization of upfront fees and others	435.00	1,493.82	41.54	-	1,970.36
- Deferment of upfront processing fee	(44.68)	(1,451.20)	-	-	(1,495.88)
- Others	-	-	-	47.20	47.20
As at March 31, 2022	**1,18,743.75**	**3,82,003.33**	**45,034.73**	**500.93**	**5,46,282.74**

Notes:

i) The Borrowings together with debt securities and subordinate liabilities referred in notes 18, 19 and 20 are secured by way of hypothecation of portfolio loans arising out of its business operations, cash collateral in the form of fixed deposits. The same have also been guaranteed by two of the directors of the Company in their personal capacity.

ii) Vehicles and building are hypothecated for respective borrowings availed for purchase of property plant and equipment.

(All amounts in INR lakhs, unless otherwise stated)

Terms of repayment of debt securities, other borrowings and subordinated liabilities as on March 31, 2022 are as follows:#

Repayment	Interest rate range	Due within 1 year		Due within 1 to 2 years		Due within 2 to 3 years		Due within 3 to 4 years		Due after 4 years		Total
		No. of instalments	Amount	No. of instalments	Amount	No. of instalments	Amount	No. of instalments	Amount	No. of instalments	Amount	Amount
Monthly	Below 9.00%	224	19,753.98	169	8,794.40	97	1,684.16	48	12.71	24	6.89	30,252.14
	9% to 12%	224	90,779.02	92	27,650.39	25	12,168.24	-	-	-	-	1,30,597.65
	12.01% to 15%	362	7,375.64	90	937.50	-	-	-	-	-	-	8,313.14
	Above 15%	-	-	-	-	-	-	-	-	-	-	-
Quarterly	Below 9.00%	10	5,300.00	2	500.00	-	-	-	-	-	-	5,800.00
	9% to 12%	55	48,800.12	36	33,851.71	5	6,310.61	-	-	-	-	88,962.44
	12.01% to 15%	10	2,277.33	3	1,000.00	-	-	-	-	-	-	3,277.33
	Above 15%	-	-	-	-	-	-	-	-	-	-	-
Semi-annually	Below 9.00%	2	2,671.50	2	2,671.50	2	2,671.50	-	-	-	-	8,014.50
	9% to 12%	17	20,435.71	8	8,685.71	3	1,000.00	-	-	-	-	30,121.42
	12.01% to 15%	-	-	-	-	-	-	-	-	-	-	-
	Above 15%	-	-	-	-	-	-	2	1,500.00	2	1,500.00	3,000.00
Annually	9% to 12%	1	833.33	1	833.33	-	-	-	-	-	-	1,666.66
Bullet	Below 9.00%	4	15,000.00	-	-	-	-	-	-	-	-	15,000.00
	9% to 12%	15	49,540.16	2	5,000.00	1	3,776.00	-	-	2	11,327.99	69,644.15
	12.01% to 15%	3	17,604.77	5	26,400.00	1	3,730.00	1	20,000.00	-	-	67,734.77
	Above 15%	3	6,500.00	-	-	-	-	-	-	-	-	6,500.00
Bullet		-	-	-	-		-	-	-	-	-	-
On demand	Variable rates	6	40,293.06	5	24,748.13	4	4,875.49	7	13,631.37	2	0.50	83,548.55
Total		**936**	**3,27,164.62**	**415**	**1,41,072.67**	**138**	**36,216.00**	**58**	**35,144.08**	**30**	**12,835.38**	**5,52,432.75**

(All amounts in INR lakhs, unless otherwise stated)

Terms of repayment of debt securities, other borrowings and subordinated liabilities as on March 31, 2021 are as follows:#

Repayment	Interest rate range	Due within 1 year		Due within 1 to 2 years		Due within 2 to 3 years		Due within 3 to 4 years		Due after 4 years		Total
		No. of instalments	Amount	No. of instalments	Amount	No. of instalments	Amount	No. of instalments	Amount	No. of instalments	Amount	Amount
Monthly	Below 9.00%	158	10,330.46	97	2,725.91	59	18.22	34	9.81	9	2.10	13,086.50
	9% to 12%	320	54,285.59	163	28,170.82	33	2,196.58	-	-	-	-	84,652.99
	12.01% to 15%	875	20,244.79	240	6,062.15	20	159.63	12	80.06	12	181.06	26,727.69
	Above 15%	-	-	-	-	-	-	-	-	-	-	-
Quarterly	Below 9.00%	14	6,814.29	8	5,000.00	2	500.00	-	-	-	-	12,314.29
	9% to 12%	73	50,913.57	42	26,550.57	19	11,498.42	2	3,333.33	-	-	92,295.89
	12.01% to 15%	15	3,433.47	10	2,252.14	3	1,000.00	-	-	-	-	6,685.61
	Above 15%	-	-	-	-	-	-	-	-	-	-	-
Semi-annually	Below 9.00%	4	10,171.50	3	6,421.50	2	2,671.50	2	2,671.50	-	-	21,936.00
	9% to 12%	22	33,465.71	16	16,685.71	8	8,685.71	3	1,000.00	-	-	59,837.13
	12.01% to 15%	1	3,000.00	2	6,000.00	3	6,000.00	1	3,000.00	-	-	18,000.00
	Above 15%	-	-	-	-	-	-	-	-	4	3,000.00	3,000.00
Annually	9% to 12%	1	833.33	1	833.33	1	833.33	-	-	-	-	2,499.99
Bullet	Below 9.00%	5	20,407.62	-	-	-	-	-	-	-	-	20,407.62
	9% to 12%	14	69,322.88	6	28,709.44	2	5,000.00	-	-	1	7,350.47	1,10,382.79
	12.01% to 15%	1	2,628.00	2	10,804.77	4	20,700.00	-	-	1	20,000.00	54,132.77
	Above 15%	1	2,500.00	3	6,500.00	-	-	-	-	-	-	9,000.00
Bullet		1	2,500.00	-	-		-	-	-	-	-	2,500.00
On demand	Variable rates	1	30,989.97	1	14,874.51	2	18,748.13	2	0.49	6	5,006.88	69,619.98
Total		**1,506**	**3,21,841.18**	**594**	**1,61,590.85**	**158**	**78,011.52**	**56**	**10,095.19**	**33**	**35,540.51**	**6,07,079.25**

All the above mentioned repayments disclosed as per the contractual maturities of debt securities, borrowing other than debt securities and subordinate liabilities at gross carrying value.

(All amounts in INR lakhs, unless otherwise stated)

21. OTHER FINANCIAL LIABILITIES

Particulars	As at March 31, 2022	As at March 31, 2021
Interest accrued on debt securities	3,443.57	5,074.08
Interest accrued on borrowings other than debt securities	1,643.47	2,086.65
Interest accrued on subordinated liabilities	460.45	519.58
Payable towards assignment/securitization transactions	17,709.04	19,885.74
Margin money received from customers	104.97	94.65
First loss default guarantee	1,677.01	2,041.29
Payable to employees	747.68	506.38
Security deposit received	29.68	34.48
Insurance payables	418.27	143.64
Financial liability for corporate guarantee	167.24	45.95
Unclaimed amount of preference shares	8.26	-
Total	**26,409.64**	**30,432.44**

22. CURRENT TAX LIABILITIES (NET)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for tax (net)	100.06	893.52
Total	**100.06**	**893.52**

23. PROVISIONS

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for gratuity (refer note 47)	2.90	-
Provision for compensation absences (refer note 47)	770.16	1,315.26
Provision for compassionate	2.78	0.90
Total	**775.84**	**1,316.16**

24. OTHER NON-FINANCIAL LIABILITIES

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred income	2.03	7.06
Statutory dues payables	751.99	682.73
Total	**754.02**	**689.79**

(All amounts in INR lakhs, unless otherwise stated)

25. EQUITY SHARE CAPITAL

	Particulars	As at March 31, 2022		As at March 31, 2021	
		Number	Amount	Number	Amount
A	**Authorized**				
	Equity share capital of face value of INR 10 each				
	At the beginning of the year	9,50,00,000	9,500.00	6,50,00,000	6,500.00
	Additions during the year	1,00,00,000	1,000.00	3,00,00,000	3,000.00
		10,50,00,000	**10,500.00**	**9,50,00,000**	**9,500.00**
B	**Issued and subscribed**				
	Equity share capital of face value of INR 10 each				
	At the beginning of the year	7,20,66,977	7,206.70	5,20,84,694	5,208.47
	Additions during the year	30,76,916	307.69	1,99,82,283	1,998.23
		7,51,43,893	**7,514.39**	**7,20,66,977**	**7,206.70**
C	**Issued and Paid-up**				
	Fully paid-up				
	Equity share capital of face value of INR 10 each				
	At the beginning of the year	5,20,38,194	5,203.82	5,20,38,194	5,203.82
	Additions during the year	2,29,80,803	2,298.08	-	-
		7,50,18,997	**7,501.90**	**5,20,38,194**	**5,203.82**
	Partly paid-up				
	Equity share capital of face value of INR 10 each and paid up of INR 7.5 each				
	At the beginning of the year	-	-	-	-
	Additions during the year	-	-	1,99,82,283	1,498.67
		-	**-**	**1,99,82,283**	**1,498.67**
	Less: Calls in arrears	-	-	(2,55,678)	(12.78)
		-	**-**	**1,97,26,605**	**1,485.89**
	Less: Amount recoverable from Satin Employees Welfare Trust	(4,82,946)	(48.29)	(4,82,946)	(44.94)
	(Equity shares of INR 10 each allotted to the Satin Employees Welfare Trust)	**7,45,36,051**	**7,453.61**	**7,12,81,853**	**6,644.77**
	Add: Forfeited shares (amount originally paid on 1,24,896 equity shares (March 31, 2021: 46,500 equity shares))	-	5.51	-	2.35
		7,45,36,051	**7,459.12**	**7,12,81,853**	**6,647.12**
D	**Reconciliation of number of equity shares outstanding at the beginning and at the end of the year**				
	Balance at the beginning of the year	7,20,20,477	6,702.49	5,20,38,194	5,203.82
	Add: Call money received during the year	-	494.88	-	-
	Add: Issued during the year	30,76,916	307.69	1,99,82,283	1,498.67
	Less: Forfeited shares	78,396	3.16	-	-
		7,50,18,997	**7,501.90**	**7,20,20,477**	**6,702.49**
E	**Reconciliation of number of equity shares issued to Satin Employees Welfare Trust outstanding at the beginning and at the end of the year**				
	Balance at the beginning of the year	4,82,946	44.94	3,48,950	34.89
	Add: Allotted to trust during the year	-	-	1,33,996	10.05
	Add: Call money received during the year	-	3.35	-	-
		4,82,946	**48.29**	**4,82,946**	**44.94**

F (i) During the current year, the authorized equity share capital of the Company was increased vide approval of equity shareholders dated December 31, 2021 from INR 9,500 lakhs divided into 95,000,000 equity shares of INR 10 each to 10,500 lakhs divided into 105,000,000 equity shares of INR 10 each.

(ii) During the current year, the Company has allotted 30,76,916 equity shares of INR 10 each at issue price of INR 81.25 per share including premium of INR 71.25 per share on preferential basis of face value of INR 10 each fully paid-up to Adesh Agricare LLP, Adesh Agrifarm LLP, Aarti Agrifeeds LLP and Trimudra Trade & Holdings Private Limited (entities belonging to non-promoter group).

(iii) During the current year, the Company has allotted Fully Convertible Warrants of INR 10 each at issue price of INR 81.25 per warrant including premium of INR 71.25 per warrant (25% of which was paid on allotment of warrant and 75%

(All amounts in INR lakhs, unless otherwise stated)

shall be payable at the time of exercising the warrants) on preferential basis to Trishashna Holdings & Investments Private Limited (THIPL) (1,23,07,692 warrants) (entity belonging to promoter group) and Florintree Ventures LLP (1,23,07,692 warrants) (entity belonging to non-promoter group) on January 25, 2022.

(iv) a) The Board of Directors of the Company on June 22, 2020 approved fund raising by way of a Rights Issue and on July 30, 2020 approved issue of 1,99,82,667 equity shares of face value of INR 10 each (the ""Rights Equity Shares"") at a price of INR 60 per Rights Equity Share (including premium of INR 50 per Rights Equity Share), aggregating to INR 11,989.60 lakhs, in the ratio of 48 Rights Equity Shares for every 125 existing fully-paid shares held by the eligible equity shareholders as on the Record Date i.e. August 05, 2020. On September 01, 2020, the Company approved allotment of 1,99,82,283 Rights Equity shares of face-value INR 10 each to the eligible applicants. The Rights Equity Shares were allotted as partly paid-up for an amount of INR 15 per Rights Equity Share received on application (of which INR 2.50 was towards face value and INR 12.50 towards premium). 384 Rights Equity Shares issued by the Company are kept in abeyance pending regulatory/ other clearances.

b) On February 12, 2021, the Company called for the 1st call money of INR 30 per partly paid shares (""PPS"") [of which INR 5 is towards face value and INR 25 towards premium]. Till June 9, 2021, it received the due amount in respect of 1,99,27,917 Rights Equity shares aggregating to INR 5,978.38 lakhs. However, due to non-payment of the 1st call money, in accordance with the Articles of Association, the Company forfeited 54,366 Rights Equity shares of INR 10 each (INR 2.50 paid up) along with the amount paid thereon on June 9, 2021.

c) On July 06, 2021, the Company called for the final call money of INR 15 (of which INR 2.50 shall be towards face value and INR 12.50 towards premium) per Rights Equity Share on 1,99,27,917 Rights Equity shares of INR 10 each (INR 7.50 Paid up). Out of which, final call money amounting to INR 2,974.36 lakhs on 1,98,29,079 Rights Equity shares has been successfully received by the Company and same is converted into fully paid equity shares on September 02, 2021.

d) The Company has extended the Final call money period (from September 07, 2021 to September 21, 2021) in respect of 98,838 Rights Equity share for which Final call money was not received.

e) During the said extended period the Company has received final call money amounting to INR 11.22 lakhs on 74,808 Rights Equity share and converted the same into fully paid shares on October 05, 2021 and forfeited 24,030 Rights Equity Share due to non -receipt of Final Call Money in accordance with the Articles of Association of the Company.

f) There has been no deviation in the use of proceeds of the Rights Issue, from the objects stated in the Offer document.

G Rights, preferences and restrictions

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

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

Name of shareholder	As at March 31, 2022		As at March 31, 2021	
	Number	%	Number	%
Trishashna Holdings & Investments Private Limited (THIPL)	2,54,77,128	33.96%	2,54,77,128	35.37%
Nordic Microfinance Initiative Fund III KS	46,63,136	6.22%	46,63,136	6.47%

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

i) On August 30, 2016, the Company has allotted 1,087,456 equity shares of INR 10 each at an issue price of INR 457.82 per share including premium of INR 447.82 per share on preferential basis to persons and entities belonging to promoter and non-promoter group pursuant to swap of equity shares of the Company with the shareholders of Taraashna Financial Services Limited ("TFSL") with an intent to make it a subsidiary of the Company in accordance with the provisions of Chapter VII of SEBI (ICDR) Regulations, 2009. Accordingly, as per confirmation received from TFSL, 7,977,239 equity shares were transferred to the Company.

(All amounts in INR lakhs, unless otherwise stated)

ii) On May 30, 2018, the Company had allotted 1,230,098 equity shares of INR 10 each on conversion of 1,230,098, 0.01% Optionally Convertible, Redeemable Preference Shares ("OCRPS") of face value of INR 10 each fully paid-up to Capital First Limited (entities belonging to non-promoter group).

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

J Shares reserved for issue under options

For details of shares reserved for issue under the Employee Stock Option Plan (ESOP), refer note 54.

K The information required to be disclosed that enables user of its financial statements to evaluate the objectives, policies and process for managing capital is disclosed in note 44.

L Shareholdings of Promoters

(i) For fully paid shares

Promoter Name	As at March 31, 2022		As at March 31, 2021		% Change during the year
	No. of Shares	% of Total Shares	No. of Shares	% of Total Shares	
Mrs Anureet HP Singh	7,26,148	0.97%	4,84,356	0.67%	0.30%
Mr Harbans Singh (deceased)	4,06,402	0.54%	4,06,402	0.56%	(0.02%)
Mr Satvinder Singh	3,85,703	0.51%	2,57,011	0.36%	0.15%
MrsNeeti Singh	2,04,092	0.27%	1,37,711	0.19%	0.08%
Mr Harvinder Pal Singh	-	0.00%	-	0.00%	-
Trishashna Holdings & Investments Private Limited	2,54,77,128	33.96%	1,44,54,251	20.07%	13.89%
Wisteria Holdings & Investments Private Limited	3,22,262	0.43%	2,01,870	0.28%	0.15%
Total	**2,75,21,735**	**36.68%**	**1,59,41,601**	**22.13%**	**14.55%**

(ii) For partly paid shares

Promoter Name	As at March 31, 2022		As at March 31, 2021		% Change during the year
	No. of Shares	% of Total Shares	No. of Shares	% of Total Shares	
MrsAnureet HP Singh	-	0.00%	2,41,792	0.34%	(0.34%)
Mr Harbans Singh (deceased)	-	0.00%	-	0.00%	-
Mr Satvinder Singh	-	0.00%	1,28,692	0.18%	(0.18%)
MrsNeeti Singh	-	0.00%	66,381	0.09%	(0.09%)
Mr Harvinder Pal Singh	-	0.00%	-	0.00%	-
Trishashna Holdings & Investments Private Limited	-	0.00%	1,10,22,877	15.31%	(15.31%)
Wisteria Holdings & Investments Private Limited	-	0.00%	1,20,392	0.17%	(0.17%)
Total	**-**	**0.00%**	**1,15,80,134**	**16.08%**	**(16.08%)**
Grand Total	**2,75,21,735**	**36.68%**	**2,75,21,735**	**38.21%**	**1.53%**

(All amounts in INR lakhs, unless otherwise stated)

26. OTHER EQUITY

Particulars	As at March 31, 2022	As at March 31, 2021
Capital redemption reserve	2,777.00	277.00
Share options outstanding account	-	217.77
Statutory reserves	10,770.89	9,966.39
General reserve	29.94	29.94
Securities premium	1,06,455.16	1,01,809.54
Retained earnings	27,539.10	26,632.46
Money received against share warrants	5,000.00	-
Other comprehensive income:		
Equity instruments through other comprehensive income	(5.00)	(5.00)
Changes in fair value of loan assets	578.06	3,509.45
Cash flow hedge reserve	20.56	20.56
Total	**1,53,165.71**	**1,42,458.11**

Nature and purpose of other reserve

Capital redemption reserve

The same had been created in accordance with provisions of the Companies Act 2013 on account of redemption of preference shares.

Share options outstanding account

The reserve is used to recognize the fair value of the options issued to employees of the Company and subsidiary companies under Company's employee stock option plan.

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.

General reserve

The Management has transferred a portion of the net profit to general reserve before declaring dividend pursuant to the provision of erstwhile Companies Act.

Securities premium

Securities premium represents premium received on issue of shares. The amount is utilized in accordance with the provisions of the Companies Act 2013.

Money received against share warrants

During the current year, the Company has allotted Fully Convertible Warrants of INR 10 each at issue price of INR 81.25 per warrant including premium of INR 71.25 per warrant (25% of which was paid on allotment of warrant and 75% shall be payable at the time of exercising the warrants) on preferential basis to Trishashna Holdings & Investments Private Limited (THIPL) (1,23,07,692 warrants) (entity belonging to promoter group) and Florintree Ventures LLP (1,23,07,692 warrants) (entity belonging to non-promoter group) on January 25, 2022.

Equity instruments through other comprehensive income

This represents the cumulative gains and losses arising on the fair valuation of equity instruments measured at fair value through other comprehensive income.

Changes in fair value of loan assets

This represents the cumulative gains and losses arising on the fair valuation of loan assets classified under business model of hold and hold to collect and sell.

Cash flow hedge reserve

Cash flow hedge reserve is used to eliminate or reduce the exposure that arises from changes in the cash flows of a financial asset or liability (or other eligible exposure) due to changes in a particular risk, such as interest rate risk on a floating rate debt instrument.

(All amounts in INR lakhs, unless otherwise stated)

27. INTEREST INCOME

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
	On financial assets measured at amortized cost	On financial assets measured classified at fair value through profit and loss	On financial assets measured at amortized cost	On financial assets measured classified at fair value through profit and loss
Interest income on portfolio loans	1,10,919.51	-	1,03,135.11	-
Interest income on deposits, certificate of deposits and commercial papers	5,120.85	-	6,536.74	-
Interest income on investments	-	-	-	91.35
Interest income on unwinding of assigned portfolio	970.38	-	1,922.88	-
Sub total	**1,17,010.74**	**-**	**1,11,594.73**	**91.35**
Total interest income		**1,17,010.74**		**1,11,686.08**

28. DIVIDEND INCOME

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Dividend income	3.15	-
Total	**3.15**	**-**

29. RENTAL INCOME

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Rental income on building	86.11	54.09
Total	**86.11**	**54.09**

30. FEES AND COMMISSION INCOME

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Service fee and facilitation charges	468.02	632.34
Income from business correspondent operations*	1,920.67	3,536.82
Total	**2,388.69**	**4,169.16**

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Type of Services or service		
Income from business correspondent operations	1,920.67	3,536.82
Total revenue from contracts with customers	**1,920.67**	**3,536.82**
Geographical markets		
India	1,920.67	3,536.82
Outside India	-	-
Total revenue from contracts with customers	**1,920.67**	**3,536.82**
Timing of revenue recognition		
Services transferred at a point in time	-	-
Services transferred over time	1,920.67	3,536.82
Total revenue from contracts with customers	**1,920.67**	**3,536.82**

(All amounts in INR lakhs, unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
Contract balances		
Trade receivable	124.53	1,098.10
Contract assets	2,250.84	1,268.85
Contract liabilities	-	-

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue as per Contract	1,920.67	3,536.82
Adjustments	-	-
Discount	-	-
Revenue from contract with customers	1,920.67	3,536.82

31. NET GAIN/(LOSS) ON FAIR VALUE CHANGES

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(A) Net gain/(loss) on financial instruments measured at fair value through profit or loss		
- Investments		
- Fair value gain on mutual funds	264.81	4.91
- Gain/(Loss) on fair valuation of other investments	-	(10.71)
(B) Others		
- Derivatives	1,158.62	(639.50)
Total	**1,423.43**	**(645.30)**
Fair value changes		
- Realized	263.11	(10.71)
- Unrealized	1,160.32	(634.59)
Total	**1,423.43**	**(645.30)**

32. NET GAIN ON DERECOGNITION OF FINANCIAL INSTRUMENTS

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Gain on sale of loan portfolio through assignment	4,954.65	11,042.73
Total	**4,954.65**	**11,042.73**

33. OTHER OPERATING INCOME

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Commitment and other charges	303.38	204.93
Total	**303.38**	**204.93**

34. OTHER INCOME

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Net gain on derecognition of property, plant and equipment	-	9.37
Net gain on termination of leases	7.78	5.41
Interest income on income - tax refund	-	128.52
Corporate guarantee premium income	15.56	7.23
Total	**23.34**	**150.53**

(All amounts in INR lakhs, unless otherwise stated)

35. FINANCE COSTS (ON FINANCIAL LIABILITIES MEASURED AT AMORTIZED COST)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest on debt securities	18,443.01	14,754.67
Interest on borrowings (other than debt securities)	34,568.25	39,118.45
Interest on subordinated liabilities*	6,637.98	7,654.61
Interest expense for leasing arrangements	63.82	78.58
Other interest expenses	256.97	31.94
Bank charges	190.36	122.58
Total	**60,160.39**	**61,760.83**

*This includes dividend on Cumulative, Non-Participative, Non-Convertible, Compulsorily Redeemable Preference Shares of INR 20.31 lakhs (March 31, 2021 : INR 364.97 lakhs) paid during the year along with redemption of the same.

36. IMPAIRMENT ON FINANCIAL INSTRUMENTS

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Loans written off	11,810.92	13,835.59
Impairment loss allowance on trade receivable and other receivable	3.61	232.28
Impairment allowance on loans	5,727.90	13,453.37
Total	**17,542.43**	**27,521.24**

37. EMPLOYEE BENEFITS EXPENSES

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries, wages and bonus	29,144.74	25,634.68
Contribution to provident and other funds	2,898.84	2,273.42
Share based payment to employees	-	19.02
Staff welfare expenses	398.43	214.76
Total	**32,442.01**	**28,141.88**

38. DEPRECIATION AND AMORTIZATION

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation on property, plant and equipment	1,091.19	904.63
Depreciation on right-of-use assets	175.77	307.23
Amortization of intangible assets	76.08	89.46
Total	**1,343.04**	**1,301.32**

(All amounts in INR lakhs, unless otherwise stated)

39. OTHER EXPENSES

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Travelling and conveyance	531.07	368.83
Legal and professional charges	1,620.86	1,450.23
Insurance	475.42	487.90
Rent	1,475.64	1,424.06
Auditor's fee and expenses*	37.41	42.48
Rates and taxes	31.15	34.45
Repairs and maintenance	550.07	541.30
Exchange fluctuation loss (net)	480.80	(386.16)
Documentation charges	127.34	152.46
Corporate social responsibility#	334.51	585.00
Net loss on derecognition of property, plant and equipment	22.78	-
Property, plant and equipment written off	39.14	6.05
Loss on investment property net of Rental income (refer note 12)	11.15	18.41
Printing and stationery	347.53	369.19
Communication costs	427.65	444.97
(Write back)/write off against first loss default guarantee	(15.79)	(112.74)
First loss default guarantee (reversal)/expenses	(364.27)	1,267.94
Advertisement and publicity	99.23	107.10
Cash embezzlement	102.78	101.50
Other administrative expenses	1,573.29	1,145.96
Miscellaneous expenses	861.83	864.30
Total	**8,769.59**	**8,913.23**
*** Remuneration to auditors comprises of (excluding applicable taxes):**		
As auditors	31.00	30.00
Other services	5.52	11.25
Reimbursement of expenses	0.89	1.23
Total	**37.41**	**42.48**

 # Corporate social responsibility expenses

The Company's expenses towards Corporate Social Responsibility (CSR) activities as follows:

	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
a)	Amount required to be spent during the year	334.51	580.00
b)	Amount of expenditure incurred	153.30	585.00
c)	Shortfall/(excess) at the end of the year	181.21	(5.00)
d)	Total of previous years shortfall	-	-
e)	Reason for shortfall*	pertains to ongoing project	NA
f)	Nature of CSR activities	(i) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects and (ii) Disaster management including relief, rehabilitation and reconstruction activities	
g)	Details of related party transactions, e.g.,contribution to a trust controlled by the Company in relation to CSR expenditure as per relevant Accounting Standard	NIL	NIL
h)	Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision	NA	NA

*The unspent amount has been transferred to unspent CSR account within 30 days from the end of the financial year, in accordance with the Companies Act, 2013 read with the CSR Amendment Rules.

(All amounts in INR lakhs, unless otherwise stated)

40. TAX EXPENSE

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Current tax	2,926.07	4,570.69
Income tax for earlier years	206.16	392.05
Deferred tax (credit)/charge	(1,218.71)	(4,583.53)
Tax expense reported in the Statement of Profit and Loss	**1,913.52**	**379.21**

The major components of tax expense and its reconciliation to expected tax expense based on the enacted tax rate applicable to the Company is 25.168% (March 31, 2021: 25.168%) and the reported tax expense in statement of profit and loss are as follows:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Accounting (loss)/profit before tax expense	**5,936.03**	**(976.28)**
Income tax rate	25.168%	25.168%
Expected tax expense	1,493.98	(245.71)
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense		
Tax impact of expenses which is non deductible	197.72	242.01
Income tax for earlier years	206.16	382.54
Others	15.66	0.37
Tax expense	**1,913.52**	**379.21**

41. EARNINGS PER SHARE (EPS)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Net profit/(loss) after tax attributable to equity shareholders		
Net profit/(loss) for the year for basic EPS	**4,022.51**	**(1,355.49)**
Dilutive impact of rights issue and share warrants	-	-
Net profit/(loss) for the year for diluted EPS	**4,022.51**	**(1,355.49)**
Nominal value of equity share (INR)	10	10
Weighted-average number of equity shares for basis earnings per share	6,98,88,690	6,19,95,970
Effect of dilution:		
Share warrants	61,53,846	-
Rights Issue	-	24,89,342
Weighted-average number of equity shares used to compute diluted earnings per share	7,60,42,536	6,44,85,312
Basic earnings per share (INR)	**5.76**	**(2.19)**
Diluted earnings per share (INR)	**5.29**	**(2.19)**

(All amounts in INR lakhs, unless otherwise stated)

42. FINANCIAL INSTRUMENTS

A Financial assets and liabilities

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

Particulars	Note	As at March 31, 2022	As at March 31, 2021
Financial assets measured at fair value			
Derivative financial instruments fair value through profit and loss	Note - 6	1,192.75	34.13
Loans measured at fair value through other comprehensive income	Note - 8	3,88,533.16	5,05,504.25
Investments* measured at			
Fair value through other comprehensive income	Note - 9	4,505.00	-
Fair value through profit and loss	Note - 9	59.75	58.06
Financial assets measured at amortized cost			
Cash and cash equivalents	Note - 4	1,04,900.58	1,12,068.58
Bank balances other cash and cash equivalents	Note - 5	86,565.38	74,195.31
Trade receivables	Note - 7	239.41	1,460.92
Loans	Note - 8	1,01,206.60	45,991.98
Investments*	Note - 9	291.87	-
Security deposits	Note - 10	206.56	290.10
Other financial assets	Note - 10	1,898.58	2,866.32
Total		**6,89,599.64**	**7,42,469.65**
Financial liabilities measured at amortized cost			
Trade payables	Note - 16	1,049.81	792.62
Other payables	Note - 17	1,543.56	1,658.58
Debt securities (including interest accrued)	Note - 18 and 21	1,22,187.32	1,75,581.22
Borrowings other than debt securities (including interest accrued)	Note - 19 and 21	3,84,147.73	3,83,729.80
Sub-ordinated liabilities (including interest accrued)	Note - 20 and 21	45,495.18	50,932.37
Other financial liabilities	Note - 21	20,862.15	22,752.13
Total		**5,75,285.75**	**6,35,446.72**

* Investment in subsidiaries are measured at cost as per Ind AS 27, 'Separate Financial Statements' and hence, not presented here.

B Fair values hierarchy

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

The categories used are as follows:

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

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

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

Valuation technique used to determine fair value

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

(All amounts in INR lakhs, unless otherwise stated)

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

Particulars	Level 1	Level 2	Level 3	Total
As at March 31, 2022				
Assets				
Loans at fair value through other comprehensive income				
Loans	-	3,88,533.16	-	**3,88,533.16**
Investments at fair value through other comprehensive income				
Security Receipts (refer note 56 (D))	-	-	4,505.00	**4,505.00**
Investments at fair value through profit and loss				
Mutual funds	59.24	-	-	**59.24**
Government securities	-	0.51	-	**0.51**
Derivative financial assets at fair value through profit and loss				
Currency and interest swaps	-	1,192.75	-	**1,192.75**

Particulars	Level 1	Level 2	Level 3	Total
As at March 31, 2021				
Assets				
Loans at fair value through other comprehensive income				
Loans	-	5,05,504.25	-	**5,05,504.25**
Investments at fair value through profit and loss				
Mutual funds	57.55	-	-	**57.55**
Government securities	-	0.51	-	**0.51**
Derivative financial assets at fair value through profit and loss				
Currency and interest swaps	-	34.13	-	**34.13**

Valuation process and technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

(a) Eligible loans valued by discounting the aggregate future cash flows (both principal and interest cash flows) with average lending rate as discounting rate for the remaining portfolio tenor.

(b) The use of net asset value for certificate of deposits and mutual funds on the basis of the statement received from investee party.

(c) The value of derivative contracts are determined using forward exchange rates at Balance Sheet date.

(d) The use of net asset value for security receipts on the basis of the value declared by investee party.

B.2 Fair value of instruments measured at amortized cost

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

Particulars	As at March 31, 2022		As at March 31, 2021	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Cash and cash equivalents	1,04,900.58	1,04,900.58	1,12,068.58	1,12,068.58
Bank balances other than cash and cash equivalents	86,565.38	86,565.38	74,195.31	74,195.31
Trade receivables	239.41	239.41	1,460.92	1,460.92
Loans	1,01,206.60	1,01,206.60	45,991.98	45,991.98
Investments	291.87	291.87	-	-
Security deposits	206.56	208.78	290.10	289.64
Other financial assets	1,898.58	1,898.58	2,866.32	2,866.32
Total	**2,95,308.98**	**2,95,311.20**	**2,36,873.21**	**2,36,872.75**

(All amounts in INR lakhs, unless otherwise stated)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Carrying value	Fair value	Carrying value	Fair value
Financial liabilities				
Trade payables	1,049.81	1,049.81	792.62	792.62
Other payables	1,543.56	1,543.56	1,658.58	1,658.58
Debt securities (including interest accrued)	1,22,187.32	1,25,708.30	1,75,581.22	1,81,091.99
Borrowings other than debt securities (including interest accrued)	3,84,147.73	3,86,438.39	3,83,729.80	3,92,937.65
Sub-ordinated liabilities (including interest accrued)	45,495.18	45,986.26	50,932.37	51,400.38
Other financial liabilities	20,862.15	20,862.15	22,752.13	22,752.13
Total	**5,75,285.75**	**5,81,588.47**	**6,35,446.72**	**6,50,633.35**

The management assessed that fair values of cash and cash equivalents, other bank balances, trade receivables and trade payables approximate their respective carrying amounts, largely due to the short-term maturities of these instruments. The following methods and assumptions were used to estimate the fair values for other assets and liabilities:

(i) The fair values of the Company's fixed interest bearing loans are determined by applying set of discount rates and then averaged out to arrive at the fair value.

(ii) The fair values of the Company's fixed rate interest-bearing debt securities, borrowings and subordinated liabilities are determined by applying discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. For variable rate interest-bearing debt securities, borrowings and subordinated liabilities, carrying value represent best estimate of their fair value as these are subject to changes in underlying interest rate indices as and when the changes happen.

43. FINANCIAL RISK MANAGEMENT

i) Risk Management

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

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

A) Credit risk

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

(All amounts in INR lakhs, unless otherwise stated)

a) Credit risk management

Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. 'The Company assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Company has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties, including regular collateral revisions. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

(i) Low credit risk

(ii) Moderate credit risk

(iii) High credit risk

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

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

Financial assets that expose the entity to credit risk*

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Low credit risk		
Cash and cash equivalents	1,00,142.36	1,07,738.18
Bank balances other than cash and cash equivalents	86,565.38	74,195.31
Trade receivables	248.96	1,460.92
Loans	4,74,351.89	5,17,784.36
Security deposits	206.56	290.10
Other financial assets	1,898.58	2,866.32
(ii) Moderate credit risk		
Loans	5,280.63	12,973.13
(iii) High credit risk		
Loans	44,579.96	49,676.68
Other financial assets	4.14	6.43

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

Cash and cash equivalents and bank deposits

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

Trade receivables

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

Other financial assets measured at amortized cost

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

(All amounts in INR lakhs, unless otherwise stated)

Loans

The Company closely monitors the credit-worthiness of the borrower's through internal systems and appraisal process to assess the credit risk and define credit limits of borrower, thereby, limiting the credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties. These processes include a detailed appraisal methodology, identification of risks and suitable structuring and credit risk mitigation measures. The Company assesses increase in credit risk on an ongoing basis for amounts loan receivables that become past due and default is considered to have occurred when amounts receivable become 90 days past due.

The major guidelines for selection of the client includes:

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

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

* The Company has used forward looking information in form of Real domestic demand and Real agriculture growth rate for Micro finance loans and Consumer prices growth rate for Micro Small and Medium Enterprises loans.

Assets are written off when there is no reasonable expectation of recovery. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognized in statement of profit and loss.

b) Credit risk exposure

i) Expected credit losses for financial assets other than loans

As at March 31, 2022	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	1,00,142.36	-	1,00,142.36
Bank balances other than cash and cash equivalents	86,565.38	-	86,565.38
Trade receivables	248.96	9.55	239.41
Security deposits	206.56	-	206.56
Other financial assets	1,902.72	4.14	1,898.58

As at March 31, 2021	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	1,07,738.18	-	1,07,738.18
Bank balances other than cash and cash equivalents	74,195.31	-	74,195.31
Trade receivables	1,460.92	-	1,460.92
Security deposits	290.10	-	290.10
Other financial assets	2,872.75	6.43	2,866.32

(All amounts in INR lakhs, unless otherwise stated)

ii) Expected credit loss for loans

Definition of default:

The Company considers default in all cases when the borrower becomes 90 days past due on its contractual payments. The Expected Credit Loss (ECL) is measured at 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 loan assets. ECL is the product of the Probability of Default, Exposure at Default and Loss Given Default.

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

Particulars	Stage 1	Stage 2	Stage 3
Gross carrying amount as at April 1, 2020	**4,64,486.37**	**6,303.96**	**15,783.16**
Assets originated*	3,58,336.13	3,220.67	9,543.85
Net transfer between stages			
Transfer to stage 1	245.53	(213.65)	(31.88)
Transfer to stage 2	(12,488.99)	12,495.26	(6.27)
Transfer to stage 3	(36,950.38)	(3,718.00)	40,668.38
Assets derecognized or collected (excluding write offs)	(2,55,923.53)	(5,115.10)	(2,563.62)
Write - offs (including death cases)	-	-	(13,637.72)
Gross carrying amount as at March 31, 2021	**5,17,705.13**	**12,973.14**	**49,755.90**
Assets originated*	2,73,792.96	563.79	1,998.56
Net transfer between stages			
Transfer to stage 1	7,843.89	(7,270.15)	(573.74)
Transfer to stage 2	(6,062.50)	6,145.71	(83.21)
Transfer to stage 3	(6,879.09)	(3,132.25)	10,011.34
Assets derecognized or collected (excluding write offs)	(3,12,048.50)	(3,999.61)	(4,287.58)
Write - offs (including death cases)	-	-	(12,241.31)
Gross carrying amount as at March 31, 2022	**4,74,351.89**	**5,280.63**	**44,579.96**

* Assets originated has been presented net of collection made during the year.

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

Reconciliation of loss allowance	Loans			Other financial assets
	Stage 1	Stage 2	Stage 3	
Loss allowance on April 1, 2020	**6,924.43**	**2,155.89**	**6,554.07**	**168.54**
Increase of provision due to assets originated during the year	1,834.95	3,044.86	5,312.12	-
Net transfer between stages				
Transfer to stage 1	83.40	(69.51)	(13.89)	-
Transfer to stage 2	(189.15)	191.88	(2.73)	-
Transfer to stage 3	(692.70)	(1,135.75)	1,828.45	-
Assets derecognized or collected	(2,089.16)	(906.76)	(6,150.47)	(162.11)
Impact of ECL on exposures transferred between stages during the year	(3,298.67)	2,462.90	13,093.78	-
Loss allowance on March 31, 2021	**2,573.10**	**5,743.51**	**20,621.33**	**6.43**
Increase of provision due to assets originated during the year	605.04	160.45	873.25	-
Net transfer between stages				-
Transfer to stage 1	2,119.30	(1,889.96)	(229.34)	-
Transfer to stage 2	(98.42)	134.92	(36.50)	-
Transfer to stage 3	(701.81)	(942.71)	1,644.52	-
Assets derecognized or collected	(416.89)	(546.67)	(6,197.69)	7.26
Impact of ECL on exposures transferred between stages during the year	(2,794.81)	1,557.36	12,294.74	-
Loss allowance on March 31, 2022	**1,285.51**	**4,216.90**	**28,970.31**	**13.69**

c) Concentration of loans

Particulars	As at March 31, 2022	As at March 31, 2021
Micro finance loans	4,92,128.89	5,53,479.08
Micro, Small and Medium Enterprises (MSME)	35,391.74	30,844.60
Less: Unamortized processing fee	(3,308.15)	(3,889.51)
Total	**5,24,212.48**	**5,80,434.17**

(All amounts in INR lakhs, unless otherwise stated)

d) Loans secured against collateral

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

Particulars	Carrying value
As at March 31, 2022	
MSME loans secured by property, plant and equipment (including land, building and plots)	2,283.85
MSME loans secured by book debts, inventories, margin money and other working capital items	1,733.28
As at March 31, 2021	
MSME loans secured by property, plant and equipment (including land, building and plots)	15,786.91
MSME loans secured by book debts, inventories, margin money and other working capital items	1,163.50

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

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

B) Liquidity risk

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

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

(i) Financing arrangements

The Company has access to the following funding facilities:

As at March 31, 2022	Total facility	Drawn	Undrawn
- Expiring within one year	89,200.00	86,700.00	2,500.00
- Expiring beyond one year	3,42,586.45	3,18,145.78	24,440.67
Total	**4,31,786.45**	**4,04,845.78**	**26,940.67**

As at March 31, 2021	Total facility	Drawn	Undrawn
- Expiring within one year	67,861.85	44,489.98	23,371.87
- Expiring beyond one year	9,06,106.40	8,77,061.40	29,045.00
Total	**9,73,968.25**	**9,21,551.38**	**52,416.87**

(ii) Maturities of financial assets and liabilities

The tables below analyses the Company financial assets and liabilities into relevant maturity groupings based on their contractual maturities. The table below shows an analysis of assets and liabilities analyzed according to when they are expected to be recovered or settled. Derivatives have been classified to mature and/or be repaid within 12 months, regardless of the actual contractual maturities of the products. With regard to loans and advances to customers, the Company uses the same basis of expected repayment behavior as used for estimating the EIR. Issued debt reflect the contractual coupon amortizations.

(All amounts in INR lakhs, unless otherwise stated)

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

As at March 31, 2022	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Financial assets					
Non-derivatives					
Cash and cash equivalents	1,04,928.40	-	-	-	**1,04,928.40**
Bank balances other than cash and cash equivalents	68,605.25	14,485.95	5,760.66	1.26	**88,853.12**
Trade receivables	239.41	-	-	-	**239.41**
Loans	3,78,959.13	1,68,973.24	12,954.57	14,159.50	**5,75,046.44**
Investments	1,004.65	1,967.83	1,824.41	-	**4,796.89**
Other financial assets	2,037.49	27.51	9.91	51.91	**2,126.82**
Derivatives (net settled)					
Derivative financial instruments	1,192.75	-	-	-	**1,192.75**
Total undiscounted financial assets	**5,56,967.08**	**1,85,454.53**	**20,549.55**	**14,212.67**	**7,77,183.83**
Financial liabilities					
Non-derivatives					
Debt Securities	56,726.63	63,178.27	10,313.58	9,607.41	**1,39,825.89**
Borrowings other than debt securities	3,00,089.33	87,791.36	31,929.10	13,048.12	**4,32,857.91**
Subordinated liabilities	16,674.57	10,141.85	3,594.35	29,692.44	**60,103.21**
Trade payables	1,049.81	-	-	-	**1,049.81**
Other payables	1,543.56	-	-	-	**1,543.56**
Other financial liabilities	20,862.15	-	-	-	**20,862.15**
Provision for compassionate	2.78	-	-	-	**2.78**
Total undiscounted financial liabilities	**3,96,948.83**	**1,61,111.48**	**45,837.03**	**52,347.97**	**6,56,245.31**
Net undiscounted financial assets/(liabilities)	**1,60,018.25**	**24,343.05**	**(25,287.48)**	**(38,135.30)**	**1,20,938.52**

The Company has restructured certain loans in accordance with the RBI circular RBI/2021-22/31 DOR.STR. REC.11/21.04.048/2021-22 dated May 05, 2021. The maturities of financial assets and liabilities, as above, are the amount due and payable only to the extent the contractual terms with borrowers and provider of finances were amended as at March 31, 2022.

As at March 31, 2021	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Financial assets					
Non-derivatives					
Cash and cash equivalents	1,12,110.74	-	-	-	**1,12,110.74**
Bank balances other than cash and cash equivalents	62,200.60	12,000.10	2,059.55	86.24	**76,346.49**
Trade receivables	1,460.92	-	-	-	**1,460.92**
Loans	4,02,618.48	2,49,048.03	12,380.68	16,377.64	**6,80,424.83**
Investments	63.06	-	-	-	**63.06**
Other financial assets	3,063.20	64.66	25.57	39.70	**3,193.13**
Derivatives (net settled)					
Derivative financial instruments	34.13	-	-	-	**34.13**
Total undiscounted financial assets	**5,81,551.13**	**2,61,112.79**	**14,465.80**	**16,503.58**	**8,73,633.30**
Financial liabilities					
Non-derivatives					
Debt Securities	86,414.08	59,309.06	55,031.41	3,184.65	**2,03,939.20**
Borrowings other than debt securities	2,76,555.24	1,07,804.91	23,118.85	16,704.91	**4,24,183.91**
Subordinated liabilities	12,345.29	16,664.48	10,141.85	33,288.06	**72,439.68**
Trade payables	792.62	-	-	-	**792.62**
Other payables	1,658.58	-	-	-	**1,658.58**
Other financial liabilities	22,752.13	-	-	-	**22,752.13**
Provision for compassionate	0.90	-	-	-	**0.90**
Total undiscounted financial liabilities	**4,00,518.84**	**1,83,778.45**	**88,292.11**	**53,177.62**	**7,25,767.02**
Net undiscounted financial assets/(liabilities)	**1,81,032.29**	**77,334.34**	**(73,826.31)**	**(36,674.04)**	**1,47,866.28**

The management had announced moratorium for all the customers during the previous year ended on March 31, 2021. The maturities of financial assets and liabilities, as above, are the amount due and payable only to the extent the contractual terms with borrowers and provider of finances were amended as at March 31, 2021.

(All amounts in INR lakhs, unless otherwise stated)

C) Market risk

a) Foreign currency risk

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

Foreign currency risk exposure:

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

Particulars	Currency	As at March 31, 2022	As at March 31, 2021
Financial liabilities			
External commercial borrowings (including interest accrued)	**USD**	31,437.45	27,160.79
(Gain)/loss: Derivative contract		(1,192.75)	(34.13)

Sensitivity

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
USD sensitivity*		
INR/USD- increase by 5%	(1,571.87)	(1,358.04)
INR/USD- decrease by 5%	1,571.87	1,358.04

** Holding all other variables constant*

b) Interest rate risk

i) Liabilities

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. 'The Company's policy is to minimize interest rate cash flow risk exposures on long-term financing. As at March 31, 2022, the Company is exposed to changes in market interest rates through debt securities, other borrowings and subordinated liabilities at variable interest rates.

Interest rate risk exposure

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

Particulars	As at March 31, 2022	As at March 31, 2021
Variable rate liabilities		
Debt securities	-	-
Borrowings other than debt securities	1,37,632.82	1,46,045.71
Subordinated liabilities	20,000.00	20,000.00
Fixed rate liabilities		
Debt securities	1,18,743.75	1,70,507.14
Borrowings other than debt securities	2,44,871.44	2,35,597.44
Subordinated liabilities	25,034.73	30,412.79
Total	**5,46,282.74**	**6,02,563.08**

(All amounts in INR lakhs, unless otherwise stated)

Sensitivity

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest sensitivity*		
Interest rates – increase by 0.50%	644.26	681.66
Interest rates – decrease by 0.50%	(644.26)	(681.66)

** Holding all other variables constant*

ii) Assets

The Company's fixed deposits are carried at amortized cost and are fixed rate deposits.

Interest rate risk exposure

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

Particulars	As at March 31, 2022	As at March 31, 2021
Fixed deposits- variable rate	-	-
Fixed deposits- fixed rate	1,12,417.27	1,25,930.26
	1,12,417.27	**1,25,930.26**

c) Price risk

i) Exposure

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

ii) Sensitivity

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

Impact on profit / (loss) after tax

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Mutual funds		
Net assets value – increase by 5%	2.99	2.90
Net assets value – decrease by 5%	(2.99)	(2.90)

(All amounts in INR lakhs, unless otherwise stated)

44. CAPITAL MANAGEMENT

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

The Company's capital management objectives are

- to ensure the Company's ability to continue as a going concern

- to comply with externally imposed capital requirement and maintain strong credit ratings

- to provide an adequate return to shareholders

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

Particulars	As at March 31, 2022	As at March 31, 2021
Net debt*	3,60,364.27	4,23,979.50
Total equity	1,60,624.83	1,49,105.23
Net debt to equity ratio	**2.24**	**2.84**

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

45. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities analyzed according to when they are expected to be recovered or settled. Derivatives have been classified to mature and/or be repaid within 12 months, regardless of the actual contractual maturities.

Particulars	As at March 31, 2022		As at March 31, 2021	
	Within 12 months	After 12 months	Within 12 months	After 12 months
ASSETS				
Financial assets				
Cash and cash equivalents	1,04,900.58	-	1,12,068.58	-
Bank balances other than cash and cash equivalents	67,741.39	18,823.99	60,543.88	13,651.43
Derivative financial instruments	1,192.75	-	34.13	-
Trade receivables	239.41	-	1,460.92	-
Loans	2,96,015.60	1,93,724.16	2,98,114.06	2,53,382.17
Investments	1,195.97	32,420.89	58.06	28,260.24
Other financial assets	2,060.10	45.04	3,026.49	129.93
	4,73,345.80	**2,45,014.08**	**4,75,306.12**	**2,95,423.77**
Non-financial assets				
Current tax assets (net)	-	-	-	-
Deferred tax assets (net)	-	6,811.20	-	4,609.86
Property, plant and equipment	-	7,901.34	-	8,384.37
Capital work-in-progress	-	17.89	-	364.96
Investment Property	-	698.26	-	693.73
Other intangible assets	-	212.71	-	288.79
Other non-financial assets	3,530.86	8.36	2,364.76	15.06
	3,530.86	**15,649.76**	**2,364.76**	**14,356.77**
TOTAL ASSETS	**4,76,876.66**	**2,60,663.84**	**4,77,670.88**	**3,09,780.54**

(All amounts in INR lakhs, unless otherwise stated)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Within 12 months	After 12 months	Within 12 months	After 12 months
LIABILITIES AND EQUITY				
LIABILITIES				
Financial liabilities				
Payables				
Trade payables				
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1,049.81	-	792.62	-
Other payables				
(i) total outstanding dues of micro enterprises and small enterprises	172.02	-	223.90	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1,371.54	-	1,434.68	-
Debt securities	44,657.54	74,086.21	66,897.79	1,03,609.35
Borrowings (other than debt securities)	2,59,609.32	1,22,894.94	2,47,376.74	1,34,266.41
Subordinated liabilities	11,102.78	33,931.95	5,425.18	44,987.61
Other financial liabilities	26,273.97	135.67	30,394.73	37.71
	3,44,236.98	**2,31,048.77**	**3,52,545.64**	**2,82,901.08**
Non-financial liabilities				
Current tax liabilities (net)	100.06	-	893.52	-
Deferred tax liabilities (net)	-	-	-	-
Provisions	250.23	525.61	38.32	1,277.84
Other non-financial liabilities	754.02	-	689.79	-
	1,104.31	**525.61**	**1,621.63**	**1,277.84**
TOTAL LIABILITIES	**3,45,341.29**	**2,31,574.38**	**3,54,167.27**	**2,84,178.92**
Net equity	**1,31,535.37**	**29,089.46**	**1,23,503.61**	**25,601.62**

46. TRANSFERRED FINANCIAL ASSETS

In the course of its micro finance activity, the Company makes transfers of financial assets, where legal rights to the cash flows from the asset are passed to the counterparty and where the Company retains the rights to the cash flows but assumes a responsibility to transfer them to the counterparty.

The Company has securitized its loan assets to an unrelated and unconsolidated entities. As per the terms of the agreements, the Company is exposed to first loss default guarantee amounting in range of 12% to 20% of the amount securitized and therefore continues to be exposed to significant risk and rewards relating to the underlying mortgage receivables. Hence, these loan assets are not derecognized and proceeds received are presented as borrowings.

The following tables provide a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities:

Securitizations	As at March 31, 2022	As at March 31, 2021
Gross carrying amount of securitized assets	54,457.03	7,184.45
Gross carrying amount of associated liabilities	50,294.24	5,501.35
Carrying value and fair value of securitized assets	54,153.40	6,870.23
Carrying value and fair value of associated liabilities	50,294.24	5,501.35
Net position	**3,859.16**	**1,368.88**

(All amounts in INR lakhs, unless otherwise stated)

47. EMPLOYEE BENEFITS

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

A Defined contribution plans

Provident and other funds

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund and other funds which are defined contribution plans. The Company has no obligations other than this to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrue.

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Employers contribution to provident and other fund	2,898.84	2,273.42

B Defined benefit plans

Gratuity

The Company has a defined benefit gratuity plan. Every employee is entitled to gratuity as per the provisions of the Payment of Gratuity Act, 1972. The scheme is funded and the scheme is managed by Life Insurance Companies. The liability of Gratuity is recognized on the basis of actuarial valuation.

Risks associated with plan provisions

Salary increases	Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
Investment risk	If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
Discount rate	Reduction in discount rate in subsequent valuations can increase the plan's liability.
Mortality & disability	Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
Withdrawals	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

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

Particulars	As at March 31, 2022	As at March 31, 2021
Present value of obligation	1,377.26	1,359.95
Fair value of plan assets	1,374.36	1,428.14
Net obligation recognized in balance sheet as non-financial assets	**2.90**	**(68.19)**

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Current service cost	238.62	233.58
Past service cost including curtailment gains/losses	-	-
Interest cost on defined benefit obligation	91.93	81.09
Interest income on plan assets	(96.54)	(93.02)
Net impact on profit / (loss) before tax	**234.01**	**221.65**

Amount recognized in the other comprehensive income:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Actuarial gain/(loss) unrecognized during the year	12.91	(86.62)

(All amounts in INR lakhs, unless otherwise stated)

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Present value of defined benefit obligation as at the beginning of year	1,359.95	1,199.63
Current service cost	238.62	233.58
Interest cost	91.93	81.09
Past service cost including curtailment gains/losses	-	-
Benefits paid	(290.64)	(184.87)
Actuarial loss/(gain) on obligation		
Actuarial (gain)/loss on arising from change in demographic assumption	(56.38)	-
Actuarial (gain)/loss on arising from change in financial assumption	(15.58)	-
Actuarial loss on arising from experience adjustment	49.36	30.52
Present value of defined benefit obligation as at the end of the year	**1,377.26**	**1,359.95**

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

Particulars	As at March 31, 2022	As at March 31, 2021
Funds managed by Insurers	100%	100%
Total	**100%**	**100%**

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Fair value of plan assets at beginning of year	1,428.14	1,376.09
Actual return on plan assets	86.85	101.89
Fund management charges	-	(64.97)
Employer's contribution	150.00	200.00
Benefits paid	(290.63)	(184.87)
Expected return on plan assets	-	-
Actuarial loss/(gain) on plan assets	-	-
Fair value of plan assets at the end of the year	**1,374.36**	**1,428.14**

(vi) Actuarial assumptions

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Discounting rate	7.26%	6.76%
Future salary increase	4.00%	4.00%
Retirement age (years)	60	60
Withdrawal rate		
Up to 30 years	49.29%	43.40%
From 31 to 44 years	17.77%	36.00%
Above 44 years	0.28%	19.40%
Weighted average duration	3.73	1.99

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

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

(vii) Sensitivity analysis for gratuity liability

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Impact of the change in discount rate		
Present value of obligation at the end of the year	1,377.26	1,359.95
- Impact due to increase of 0.50 %	(31.09)	(14.83)
- Impact due to decrease of 0.50 %	33.17	15.26
Impact of the change in salary increase		
Present value of obligation at the end of the year	1,377.26	1,359.95
- Impact due to increase of 0.50 %	34.08	15.59
- Impact due to decrease of 0.50 %	(32.18)	(15.29)

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

(All amounts in INR lakhs, unless otherwise stated)

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

(viii) Maturity profile of defined benefit obligation (discounted)

Year	As at March 31, 2022	As at March 31, 2021
0 to 1 year	394.68	503.13
1 to 2 year	164.00	265.80
2 to 3 year	126.18	179.60
3 to 4 year	95.63	120.04
4 to 5 year	73.05	77.41
5 to 6 year	108.24	50.56
6 year onwards	415.48	163.41
Total	**1,377.26**	**1,359.95**

48. RELATED PARTY DISCLOSURES

A List of related parties and disclosures

Subsidiaries:

Taraashna Financial Services Limited

Satin Housing Finance Limited

Satin Finserv Limited

Key managerial personnel and their relatives:

Name of key managerial personnel	Designation	Relatives
Mr Harvinder Pal Singh	Chairman cum Managing Director	Mr Satvinder Singh Mrs Anureet H P Singh Mrs Ashna Pruthi
Mr Jugal Kataria (w.e.f. January 13, 2020)	Group Controller	
Mr Krishan Gopal (W.e.f. January 13, 2020 to December 12, 2020)	Chief Financial Officer	
Mr Rakesh Sachdeva (W.e.f. December 13, 2020)	Chief Financial Officer	
Mr Adhish Swaroop (W.e.f. October 14, 2019 to May 11, 2021)	Company Secretary and Compliance Officer	
Mr Vipul Sharma (W.e.f. May 12, 2021)	Company Secretary and Compliance Officer	
Mr Satvinder Singh	Non-Executive and Non-Independent Director	
Mr Rakesh Sachdeva (Till November 04, 2020)	Non-Executive and Independent Director	
Mr Sundeep Kumar Mehta	Non-Executive and Independent Director	
Mr Sanjay Kumar Bhatia	Non-Executive and Independent Director	
Mr Anil Kumar Kalra	Non-Executive and Independent Director	
Mr Arthur Sletteberg (Till May 30, 2020)	Nominee Director	
Mr Chrisitan Bernhard Ramm (W.e.f. May 30, 2020)	Nominee Director	
Mr Goh Colin	Non-Executive and Independent Director	
Mrs Sangeeta Khorana	Non-Executive and Independent Director	
Mr Rajeev Kakar (w.e.f. June 06, 2019 to April 30, 2020)	Nominee Director	
Mrs Ashna Pruthi (w.e.f. November 05, 2020 to January 06, 2021)	General Manager - Legal	

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

Satin Neo Dimensions Private Limited

Niryas Food Products Private Limited

(All amounts in INR lakhs, unless otherwise stated)

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

Name of related party	Nature of transaction	For the year ended March 31, 2022	For the year ended March 31, 2021
Mr Harvinder Pal Singh	Remuneration	140.32	136.72
	Provident fund and others	14.39	17.99
	Personal guarantees given	8,333.33	-
Mr Satvinder Singh	Personal guarantees given	-	30,000.00
	Personal guarantees withdrawn	20,000.00	-
Mr Harvinder Pal Singh and Mr Satvinder Singh	Personal guarantees withdrawn (jointly)	31,168.79	6,410.55
Mr Jugal Kataria	Remuneration	132.89	95.76
Mr Rakesh Sachdeva	Remuneration	74.18	30.88
Mr Krishan Gopal	Remuneration	-	40.84
Mr Adhish Swaroop	Remuneration	3.10	25.03
Mr Vipul Sharma	Remuneration	17.74	-
Mrs Ashna Pruthi	Remuneration	-	2.58
Mr Satvinder Singh	Sitting fees	6.00	5.75
Mr Rakesh Sachdeva	Sitting fees	-	4.05
Mr Sundeep Kumar Mehta	Sitting fees	7.60	7.70
Mrs Sangeeta Khorana	Sitting fees	3.70	4.40
Mr Goh Colin	Sitting fees	5.80	3.90
Mr Sanjay Kumar Bhatia	Sitting fees	6.10	5.50
Mr Anil Kumar Kalra	Sitting fees	5.00	4.15
Taraashna Financial Services Limited	Interest income	392.74	214.02
	Inter corporate loan given	1,950.00	900.00
	Inter corporate loan received back	500.00	300.00
	Rent received	21.29	5.36
	Share based (reimbursement)/ payment	(5.76)	(85.83)
	Received on account of managerial services	65.59	65.59
	Services received on account of sourcing and collections	870.01	150.60
Satin Housing Finance Limited	Interest income	127.67	6.51
	Inter corporate loan given	4,500.00	3,000.00
	Inter corporate loan received back	6,000.00	1,000.00
	Investment made	500.00	1,500.00
	Corporate Guarantee premium charged	136.84	17.21
	Share based (reimbursement)/ payment	(33.09)	(11.88)
	Rent received	32.27	7.68
Satin Finserv Limited	Corporate Guarantee premium charged	-	9.44
	Facilitation fee paid	5.00	-
	Received on account of managerial services	63.00	39.29
	Rent received	21.52	24.86
Satin Neo Dimensions Private Limited	Interest income	21.76	19.44
	Inter corporate loan received back	26.50	16.84
	Repayment of security deposit	-	4.00
	Purchase of property, plant & equipment (WIP)	18.44	207.66
Niryas Food Products Private Limited	Rent received	1.98	5.80

(All amounts in INR lakhs, unless otherwise stated)

C Key management personnel compensation includes the following expenses:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Short-term employee benefits	382.62	347.22
Post employment benefits	11.74	10.23
Other long-term benefits*	(25.00)	7.31
Share based payment	-	-

*Reversal on account of change in acturial assumptions in current year.

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

Name of related party	Nature of balance	As at March 31, 2022	As at March 31, 2021
Mr Satvinder Singh	Personal guarantees against borrowings^	10,000.00	30,000.00
Mr Harvinder Pal Singh	Personal guarantees against borrowings^	8,333.33	-
Mr Harvinder Pal Singh and Mr Satvinder Singh	Personal guarantees (jointly) against borrowings^	1,26,236.76	1,57,405.55
Mr Goh Colin	Sitting fees	1.20	0.34
Taraashna Financial Services Limited	Investments	8,510.24	8,510.24
	Inter corporate loan	3,550.00	2,100.00
	Other payable (net of tax deduted at source)	103.53	-
Satin Housing Finance Limited	Investments	10,000.00	9,500.00
	Inter corporate loan	500.00	2,000.00
Satin Finserv Limited	Investments	10,250.00	10,250.00
Satin Neo Dimensions Private Limited	Inter corporate loan*	90.78	117.27
	Other Payable	-	27.52
	Interest accrued	1.51	1.96
Niryas Food Products Private Limited	Security deposit payable	-	0.34

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

* During the financial year 2020-21, Inter corporate loan includes interest capitalisation on moratorium

49. LEASES DISCLOSURE AS LESSEE

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

March 31, 2022

Right-of use assets	No of right-of use assets leased	Range of remaining term	Average remaining lease term	No of leases with extension options	No of leases with purchase options	No of leases with variable payments linked to an index	No of leases with termination options
Office building	32	1 Months-78 Months	21.59 months	32	-	-	32

March 31, 2021

Right-of use assets	No of right-of use assets leased	Range of remaining term	Average remaining lease term	No of leases with extension options	No of leases with purchase options	No of leases with variable payments linked to an index	No of leases with termination options
Office building	36	10.5 Months-90 Months	31.78 months	36	-	-	36

(All amounts in INR lakhs, unless otherwise stated)

2 Additional information on the Right-of-Use assets by class of assets is as follows:

Right-of use assets	Carrying amount as on April 1, 2021	Additions	Depreciation	Impairment	Carrying amount as on March 31, 2022
Office building	580.88	14.71	175.77	8.25	411.57

Right-of use assets	Carrying amount as on April 1, 2020	Additions	Depreciation	Impairment	Carrying amount as on March 31, 2021
Office building	849.82	83.00	307.23	44.71	580.88

Note: The right-of-use assets are included in the same line item as where the corresponding underlying assets would be presented if they were owned.

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

Particulars	As at March 31, 2022	As at March 31, 2021
Current	154.89	163.35
Non-current	346.04	496.37
Total	**500.93**	**659.72**

4 At March 31, 2022 the Company had not committed to leases which had not commenced.

5 The undiscounted maturity analysis of lease liabilities is as follows:

March 31, 2022

Particulars	Less than 1 year	1-2 year	2-3 year	More than 3 years
Lease payments	201.30	157.71	80.70	181.06
Finance charges	46.41	29.97	19.92	23.54
Net present values	**154.89**	**127.74**	**60.78**	**157.52**

March 31, 2021

Particulars	Less than 1 year	1-2 year	2-3 year	More than 3 years
Lease payments	226.62	196.36	152.58	261.11
Finance charges	63.27	45.57	29.64	38.47
Net present values	**163.35**	**150.79**	**122.94**	**222.64**

6 The Company has elected not to recognise a lease liability for short term leases (leases of expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognised as lease liabilities and are expensed as incurred.

7 The Company had total cash outflows for leases of ₹ 1,688.73 lakhs in March 31, 2022 (March 31, 2021: ₹ 1,776.80 lakhs).

The following are the amounts recognised in profit or loss:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation expense of right-of-use assets	175.77	307.23
Interest expense on lease liabilities	63.82	78.58
Expense relating to short-term leases (included in other expenses)	1,475.64	1,424.06
Total amount recognized in profit or loss	**1,715.23**	**1,809.87**

The Company had lease contracts for office buildings used in its operations. Leases of these buildings generally have lease terms between 1 to 9 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets. There are several lease contracts that include extension 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.

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

The Company does not anticipate any material leases to be terminated in next three years or beyond that.

(All amounts in INR lakhs, unless otherwise stated)

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 and generator

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Short term leases	1,688.73	1,759.70

Particulars	As at March 31, 2022	As at March 31, 2021
Minimum lease obligations:		
- within one year	12.63	65.38
- Later than one year but not later than five years	-	9.30
- Later than five years	-	-

50. SEGMENT INFORMATION

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

51. CONTINGENT LIABILITIES AND COMMITMENTS:

(to the extent not provided for)

The Company has received income tax notice under section 143(3) of the "Income Tax Act 1961" dated Apr 05, 2021 for tax demand amounting to ₹ 194.63 lakhs on account of disallowance of expenses under section 43B and 36(1)(va) for assessment year 2018-19. In response to such notice, the Company has filed appeal with CIT(A) and the same is pending for hearing:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Estimated amount of contract remaining to be executed on capital account and not provided for	57.14	242.83
Company had issued corporate financial guarantee to National Housing Bank (NHB) against the funding obtained by its subsidiary Satin Housing Finance Limited.	4,500.00	1,500.00
Company had issued corporate financial guarantee to State Bank of India against the funding obtained by its subsidiary Satin Housing Finance Limited.	2,500.00	-
Company has issued corporate financial guarantee to Catalyst Trusteeship Limited against the Non-convertible Debenture issued by its subsidiary Satin Finserv Limited.	500.00	500.00
Total	**7,557.14**	**2,242.83**

52. ASSETS PLEDGED/HYPOTHECATED AS SECURITY

The carrying amounts of assets pledged/hypothecated as security are:

Particulars	As at March 31, 2022	As at March 31, 2021
Loan assets	3,79,401.27	4,81,436.50
Vehicles	117.08	95.47
Buildings	151.36	159.11
Total assets pledged as security	**3,79,669.71**	**4,81,691.08**

(All amounts in INR lakhs, unless otherwise stated)

53. IMPACT OF COVID-19 PANDEMIC

The COVID-19 pandemic has continued to cause a disruption of the economic activities across the globe including India throughout the year. The Government of India announced a lockdown during the first quarter of the financial year to contain the spread of the virus and various state governments and local statutory authorities imposed restrictions on economic activities in different parts of the country which continued to impact Company's operations including lending and collection activities.

In assessing the impairment allowance for loan portfolio, the Company has considered internal and external sources of information available including indicators of deterioration in the macro-economic factors. Further, the management has estimated the impact of the ongoing wave of the pandemic on its loan portfolio, based on reasonable and supportable information available till date and considering performance after the all the three waves of Covid, and has noted that the existing provisioning levels are adequate to cover any further delinquencies. Given the unique nature and scale of this pandemic, its full extent of impact on the Company's operations and financial metrics, more specifically on the borrower's ability to service their obligations on a timely basis, will depend on the severity and duration of the pandemic as well as on highly uncertain future developments including governmental and regulatory measures and the Company's responses thereto. Accordingly, the management's estimate of impairment losses based on various variables and assumptions could result in actual credit loss being different than that being estimated.

The Company has assessed the impact of the pandemic on its liquidity and ability to repay its obligations as and when they are due. The Company has considered its current liquidity position, expected inflows from various sources of borrowings and stimulus packages announced by the Government of India. Based on the foregoing, management believes that the Company will be able to pay its obligations as and when these become due in the foreseeable future. The impact of the pandemic on the operations of the Company is significantly dependent on uncertain future economic conditions.

i. Estimation of uncertainties relating to the global health pandemic from COVID-19:

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, investments, property plant and equipment and intangible assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts and consensus estimates from market sources on the expected future performance of the Company. Given the dynamic nature of the pandemic situation, these estimates are based on early indicators, subject to uncertainty and may be affected by the severity and duration of the pandemic and the actual impact of the pandemic, including governmental and regulatory measures, on the business and financial metrics of the Company (including credit losses) could be different from that estimated by the Company.

ii. Expected credit loss (ECL) allowance on loan portfolio

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

During the year ended as at March 31, 2022, Company has restructured certain loans (both JLG and MSME) in accordance with board approved restructuring policy dated May 27, 2021 and RBI circular RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22 dated May 05, 2021. Therefore the Company has considered these loans for significant increase in credit risk assessment, accordingly, the Company has made additional ECL on these restructured loans on account of SICR provisioning to the tune of ₹ 17,384.17 lakhs on said restructured loans. Considering the unique and widespread impact of COVID-19 pandemic, the Company has estimated expected credit loss allowance in its provision, based on information available at this point in time to reflect, among other things, the deterioration in the macro-economic factors.

iii. Loss allowance for other receivables

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

iv. Revenue from operations

The Company has evaluated the impact of COVID – 19. Due to the nature of the pandemic, the Company will continue to monitor developments to identify significant uncertainties relating to revenue in future periods.

v. Impairment assessment of Property plant and equipment, intangible assets

The Company is engaged primarily in providing micro finance services to women in the rural areas of India who are enrolled as members and organized as Joint Liability Groups ('JLG'). Considering the nature of business the Company does not have major property plant & equipment (PP&E) assets. As at March 31, 2022, the estimated recoverable amount of the CGU exceeded its carrying amount. Reasonable sensitivities in key assumptions consequent to the change in estimated future economic conditions on account of possible effects relating to Covid 19 is unlikely to cause the carrying amount to exceed the recoverable amount of the cash generating unit.

vi. Impairment assessment of investment in subsidiary Companies:

Management assesses impairment loss on the investments when impairment indicators exists by comparing the fair value and carrying value of such investments. During the year management assessed if there are any impairment indicators exist on its investment in subsidiary companies and noted that such indicators exist because of Covid-19 pandemic on its investment in one of its subsidiary company i.e. Taraashna Financial Services Limited (Formally known as Taraashna Services Limited). The equity shares of the subsidiary company is not listed on a stock exchange. The subsidiary company is about to get merged with another subsidiary company named Satin Finserv Limited. The Board of Directors of respective subsidiaries in their board meeting had approved the Scheme of Arrangement for Amalgamation between Taraashna Financial Services Limited (Transferor Company) and Satin Finserv Limited (Transferee Company) and their respective shareholders and creditors 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 and creditors. The said first motion application is reserved and allowed by the said Hon'ble NCLT on hearing dated April 06, 2022. Since the combined valuation is much higher than the carrying value of the investment and hence there is no impairment.

vii. Credit risk on cash and cash equivalents

Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks, commercial papers and certificate of deposits of financial institutions with high ratings assigned by international and domestic credit rating agencies. Ratings and Financials of the counterparties are monitored periodically. The Company reviews the portfolio on regular basis.

Current liquidity position and necessary stress tests considering various scenarios, management is confident that the Company will be able to fulfil its obligations as and when these become due in the foreseeable future.

(All amounts in INR lakhs, unless otherwise stated)

54. EMPLOYEE STOCK OPTION PLAN / SCHEME (ESOP/ ESOS)

Pursuant to the approval accorded by Shareholders of Satin Creditcare Network Limited ("Company") at their Annual General Meeting held on July 06, 2017, the Nomination and Remuneration Committee of the Company formulated a new scheme 'Satin Employee Stock Option Scheme 2017' (ESOS 2017) in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (or any amendment thereto or any other provisions as may be applicable). ESOS is applicable to all permanent and full-time employees (as defined in the Plan), excluding Promoters of the Company. The eligibility of employees to receive grants under the Plan has to be decided by the Nomination and Remuneration Committee from time to time at its sole discretion. Vesting of the options and vesting period shall take place in the manner determined by the Nomination and Remuneration Committee at the time of grant. Vesting of options shall be subject to the condition that the Grantee shall be in continuous employment with the Company and such other conditions as provided under ESOS 2017. The Exercise Price of each grant is determined by the Nomination and Remuneration Committee at the time of grant.

Presently, stock options have been granted or shares have been issued under the following scheme:

A. Satin Employee Stock Option Scheme 2009 (ESOS 2009)

B. Satin Employee Stock Option Scheme 2017 (ESOS 2017)

a) Employee stock option schemes:

ESOS 2009: Initially 425,000 equity shares of INR 10/- each at a premium of INR 10/- each were allotted to Satin Employees Welfare Trust on November 27, 2009. (This scheme was terminated vide Shareholders Resolution dated July 06, 2017)

Details of grant and exercise of such options are as follows:

Particulars	Grant – 1 of ESOS 2009			Grant – 2 of ESOS 2009			Grant – 3 of ESOS 2009		
No. of options granted	1,50,000			98,300			87,900		
Date of grant of options	January 12, 2010			December 02, 2013			December 02, 2016		
No. of employee to whom such options were granted	2			29			36		
Financial year (F.Y.)	F.Y. 2010-11	F.Y. 2011-12	F.Y. 2012-13	F.Y. 2 014-15	F.Y. 2015-16	F.Y. 2016-17	F.Y. 2017-18	F.Y. 2018-19	F.Y. 2019-20
No. of employees who have exercised the option	2	2	2	25	23	23	22	18	15
No. of options exercised	50,000	50,000	50,000	25,824	22,633	27,243	21,100	19,300	13,300

Note: There was NIL options vested in F.Y. 2013-14.

Satin ESOP 2010: 100,000 equity shares of INR 10/- each at a premium of INR 12/- were allotted to Satin Employees Welfare Trust on June 22, 2010 (The scheme was terminated vide Shareholders Resolution dated July 06, 2017 and the outstanding options were transferred to Satin ESOS 2017).

Satin ESOP II 2010: 150,000 equity shares of INR 10/- each at a premium of INR 15/- were allotted to Satin Employees Welfare Trust on April 21, 2011 (The scheme was terminated vide Shareholders Resolution dated July 06, 2017 and the outstanding options were transferred to Satin ESOS 2017).

ESOS Scheme 2017: All options not exceeding 3,61,400 representing 0.96% of the paid-up Capital of the Company as on March 31, 2017 or such other adjusted figure for any bonus, stock splits or consolidations or other reorganization of the capital structure of the Company as may be applicable from time to time including the shares lying with the Trust that may remain unutilized pursuant to non-exercisability of options granted under Satin ESOS 2009, 2010 (I) and 2010 (II), to or for the benefit of permanent employees of the Company and its subsidiaries whether working in India or outside India. The said ESOS Scheme, 2017 were approved in twenty seventh Annual General Meeting of the Company held on July 06. 2017.

(All amounts in INR lakhs, unless otherwise stated)

Details of grant and exercise of such options are as follows:

Particulars	Grant – 1 of ESOS 2017			Grant – 2 of ESOS 2017		
No. of options granted	1,45,200			2,26,600		
Date of grant of options	August 14, 2017			May 30, 2018		
No. of employee to whom such options were granted	57			35		
Financial year (F.Y.)	F.Y. 2018-19	F.Y. 2019-20	F.Y. 2020-21	F.Y. 2019-20	F.Y. 2020-21	F.Y. 2021-22
No. of employees who have exercised the option	18	27	-	13	-	NA
No. of options exercised	12,200	13,500	-	20,950	-	NA

b) The Company has provided following share based options to its employees:

Particulars	ESOS 2009	ESOS 2017
Date of grant	January 12, 2010, December 02, 2013 and December 02, 2016	August 14, 2017 and May 30, 2018
Date of board meeting, where ESOP/ESOS were approved	November 27, 2009	May 26, 2017
Date of committee meeting where grant of options were approved	January 12, 2010 November 12, 2013 and November 09, 2016	August 14, 2017 and May 30, 2018
Date of shareholders' approval	June 01, 2009	July 06, 2017
No. of options granted	336,200 out of 425,000	3,71,800
Method of settlement	Equity	Share/Cashless route
Vesting conditions	The actual vesting of options will depend on continuation to hold the services being provided to the Company at the time of exercise of options and such other conditions as mentioned in the ESOS Scheme.	The actual vesting of options will depend on continuation to hold the services being provided to the Company at the time of exercise of options and such other conditions as mentioned in the ESOS Scheme, 2017.
Vesting period	Option will be vested at the end of year 1 – 33.33% end of year 2 – 33.33% end of year 3 – 33.34% end of year Subject to lock in period of one year from the date of transfer of shares and other terms as stipulated in the Scheme and prescribed under the law in force.	Grant 1 of ESOS 2017 Option will be vested at the end of year 1 – 33.33% end of year 2 – 33.33% end of year 3 – 33.34% end of year Grant 2 of ESOS 2017 Option will be vested at the end of year 1 – 50% end of year 2 – 50% end of year
Exercise period	It shall commence from the date of vesting of options and expire not later than 2 months from the vesting date of each grant of options	It shall commence from the date of vesting of options and expire not later than 1 Year from the vesting date of each grant of options

Note: ESOS 2009 scheme was repealed in terms of Resolution passed by the Shareholders at their meeting held on July 6, 2017.

Details of Vesting and Exercise of Options (ESOS 2009):

Vesting Date	Vested options	No of options exercised
January 12, 2011	50,000	50,000
January 12, 2012	50,000	50,000
January 12, 2013	50,000	50,000
December 02, 2014	29,090	25,824
December 02, 2015	29,100	22,633
December 02, 2016	29,110	27,243
December 02, 2017	22,300	21,100
December 02, 2018	19,300	19,300
December 02, 2019	13,300	13,300

(All amounts in INR lakhs, unless otherwise stated)

Details of Vesting and Exercise of Options (Grant 1 of ESOS 2017):

Vesting Date	Vested options	No of options exercised
August 14, 2018	21,400	12,200
August 14, 2019	15,800	13,500
August 14, 2020*	11,400	-

* These options are available for exercise till August 13, 2021

Details of Vesting and Exercise of Options (Grant 2 of ESOS 2017):

Vesting Date	Vested options	No of options exercised
May 30, 2019	1,05,050	20,950
May 30, 2020	96,850	-

* These options are available for exercise till August 13, 2021

i) The details of ESOS 2009 are summarized below:

Particulars	As at March 31, 2022		As at March 31, 2021	
	ESOS 2009		ESOS 2009	
	No. of options	Weighted average exercise price	No. of options	Weighted average exercise price
Outstanding options at the beginning of the year*	-	-	-	-
Exercised during the year	-	-	-	-
Number of shares arising as a result of exercise of options	-	-	-	-
Expired/ lapsed during the year	-	-	-	-
Options shifted to new ESOS Scheme 2017	-	-	-	-
Exercisable at the end of the year	-	-	-	-
Weighted average remaining contractual life (in years) of the option exercisable	-	-	-	-
Weighted average fair value of the options exercisable at grant date	-	420.75	-	420.75
Loan repaid by the Trust during the year from exercise price received (amount in lakhs)	-	-	-	-

* Being ESOS 2009 doesn't exist as of March 31, 2021, the above reporting has been made for the options granted earlier.

ii) Weighted average exercise price of share (fair market value) during the year ended March 31, 2022: NA (March 31, 2021: NA).

iii) The details of ESOS Scheme 2017 are summarized below:

Particulars	As at March 31, 2022		As at March 31, 2021	
	ESOS 2017		ESOS 2017	
	No. of options	Weighted average exercise price	No. of options	Weighted average exercise price
Outstanding options at the beginning of the year Granted during the year Forfeited during the year	79,300	At a discount/ premium on fair value	1,49,150	At a discount/ premium on fair value
Exercised during the year	-	160	-	160
Number of shares arising as a result of exercise of options	-	160	-	160
Expired/ lapsed during the year under ESOS Scheme, 2017	79,300	160	1,20,500	160
Options expired/ lapsed under earlier ESOP Scheme's (adjusted)*	-	-	-	-
Outstanding options at the end of the year	-	-	2,69,500	-
Exercisable at the end of the year	-	-	79,300	160

(All amounts in INR lakhs, unless otherwise stated)

Particulars	As at March 31, 2022		As at March 31, 2021	
	ESOS 2017		ESOS 2017	
	No. of options	Weighted average exercise price	No. of options	Weighted average exercise price
Weighted average remaining contractual life (in years) of the option exercisable	-	-	-	0.19
Weighted average fair value of the options exercisable at grant date	Grant -1	-	Grant -1	166.98
	Grant -2	-	Grant -2	254.54
Loan repaid by the Trust during the year from exercise price received (amount in lakhs)		-		-

* Outstanding Options of previous ESOS schemes has been transferred to new ESOS scheme 2017

iv) Weighted average exercise price (fair market value) of share during the year ended March 31, 2022: NA (March 31, 2021: NA).

The detail of exercise price for stock option at the end of the financial year 2021-2022 is:

Series	Range of exercise price	No. of options outstanding for Exercise	Weighted average remaining contractual life of options (in years)	Weighted average exercise price	Remarks
Grant-3 ESOS 2009	20/- per option	-	-	20	Scheme Repealed
Grant-1 ESOS Scheme 2017	160/- per option	-	0.00	160	New Scheme
Grant-2 ESOS Scheme 2017	160/- per option	-	0.00	160	New Scheme

v) Employee wise details (name of employee, designation, number of options granted during the year, exercise price) - NIL*

There is no identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.

vi) The fair value of the options granted is determined on the date of the grant using the "Black-Scholes option pricing model" with the following assumptions, as certified by an independent valuer::

Particulars	Grant 3 ESOS 2009	Grant 1 ESOS 2017			Grant 2 ESOS 2017	
	3rd tranche of vesting	1st tranche of vesting	2nd tranche of vesting	3rd tranche of vesting	1st tranche of vesting	2nd tranche of vesting
Date of grant	**December 02, 2016**	**August 14, 2017**	**August 14, 2017**	**August 14, 2017**	**May 30, 2018**	**May 30, 2018**
Fair market value of option on the date of grant	438.40	267.38	267.38	267.38	386.65	386.65
Exercise price	20.00	160.00	160.00	160.00	160.00	160.00
Expected volatility (%)	60.39%	55.86%	62.90%	62.90%	45.31%	53.94%
Expected option life (weighted average)	3.08	1.50	2.50	3.50	1.50	2.50
Expected dividends yield	-	-	-	-	-	-
Risk free interest rate (%)	6.03%	6.35%	6.40%	6.45%	7.53%	7.66%

The expected volatility was determined based on historical volatility data of the Company's shares listed on the National Stock Exchange of India Limited.

(All amounts in INR lakhs, unless otherwise stated)

vii) The Company has recognized share based payment expense of INR NIL (March 31, 2021: INR 19.02 lakhs) during the year as proportionate cost.

viii) The Company has INR 169.69 lakhs(March 31, 2021: INR 79.69 lakhs) recoverable from Satin Employees Welfare Trust pursuant to ESOP schemes.

55. RECENT ACCOUNTING PRONOUNCEMENTS:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 01, 2022, as below:

Ind AS 103 "Business Combination"

The amendments specifiy that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 - Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the Company is preparing the asset for its intended use. Instead, an entity will recognize such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets"

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labor, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any impact in its financial statements.

Ind AS 109 "Financial Instruments"

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognize a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

(All amounts in INR lakhs, unless otherwise stated)

56. DISCLOSURE OF EXPECTED CREDIT LOSS AND PROVISIONS REQUIRED AS PER INCOME RECOGNITION AND ASSET CLASSIFICATION NORMS;

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
Performing Assets						
Standard	Stage 1	4,72,445.73	1,285.54	4,71,160.19	131.51	1,154.03
	Stage 2	5,316.69	4,216.89	1,099.80	4,468.60	(251.71)
Subtotal		**4,77,762.42**	**5,502.43**	**4,72,259.99**	**4,600.11**	**902.32**
Non-Performing Assets (NPA)						
Substandard	Stage 3	-	-	-	-	-
Doubtful - up to 1 year	Stage 3	14,245.87	9,987.83	4,258.04	6,221.84	3,765.99
1 to 3 years	Stage 3	26,949.42	18,982.46	7,966.96	19,804.22	(821.76)
More than 3 years	Stage 3			-		-
Subtotal for doubtful		**41,195.29**	**28,970.29**	**12,225.00**	**26,026.06**	**2,944.23**
Loss	Stage 3					
Subtotal for NPA						
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	415.03	4.14	410.89	-	4.14
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		**415.03**	**4.14**	**410.89**	**-**	**4.14**
Total	Stage 1	4,72,860.76	1,289.68	4,71,571.08	131.51	1,158.17
	Stage 2	5,316.69	4,216.89	1,099.80	4,468.60	(251.71)
	Stage 3	41,195.29	28,970.29	12,225.00	26,026.06	2,944.23
	Total	**5,19,372.74**	**34,476.86**	**4,84,895.88**	**30,626.17**	**3,850.69**

57. ADDITIONAL DISCLOSURES AS REQUIRED BY THE RESERVE BANK OF INDIA: -

(A) Disclosure as per Master Direction DNBR.PD.008/03.10.119/2016-17 (updated as on April 1, 2022) are as under:-

(i) Capital to Risk Assets Ratio ("CRAR"):-

Particulars	As at March 31, 2022	As at March 31, 2021
CRAR (%)	27.84	25.28
CRAR – Tier I capital (%)	23.25	19.73
CRAR – Tier II capital (%)	4.59	5.55
Amount of subordinated debt included in Tier-II capital	44,704.80	47,165.07
Amount raised by issue of perpetual debt instruments	-	-

(All amounts in INR lakhs, unless otherwise stated)

(ii) Disclosure of investments:-

Particulars	As at March 31, 2022	As at March 31, 2021
1) Value of investments		
i) Gross value of investments	33,616.86	28,318.30
a) In India	33,616.86	28,318.30
b) Outside India	-	-
ii) Provisions of depreciation	-	-
a) In India	-	-
b) Outside India	-	-
iii) Net Value of investments	33,616.86	28,318.30
a) In India	33,616.86	28,318.30
b) Outside India	-	-
2) Movement of provisions held towards depreciation on investments		
i) Opening balance	-	-
ii) Add: Provision made during the year	-	-
iii) Less: Write-off/Write back of excess provision during the year		
iv) Closing balance	-	-

(iii) Derivatives :-

Forward Rate Agreement / Cross Currency Swaps

Particulars	As at March 31, 2022	As at March 31, 2021
Notional Principal of swap agreements	31,161.35	27,089.80
Loss/(profit) which would be incurred if counterparties failed to fulfil their obligations under the agreements	(1,192.75)	(34.13)
Collateral required by the applicable NBFC upon entering into swaps	-	-
Concentration of credit risk arising from swaps	-	-
Fair value of the swap book	(1,192.75)	(34.13)

(iv) (a) Disclosures relating to securitization:-

The Company has entered into various agreements for the securitization of loans with assignees, wherein it has securitized a part of its loans portfolio amounting to INR 71,542.16 lakhs during the year ended March 31, 2022 (March 31, 2021 INR 5,611.43 lakhs), being the principal value outstanding as on the date of the deals that are outstanding. The Company is responsible for collection and getting servicing of this loan portfolio on behalf of investors/buyers. In terms of the said securitization agreements, the Company pays to investor/buyers on agreed date basis the prorata collection amount as per individual agreement terms.

(b) Disclosure for securitization of Standard Assets executed during the year as per RBI circular no.DOR.STR. REC.53/21.04.177/2021-22 dated September 24, 2021.

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
1. No of SPEs holding assets for securitization transactions originated by the originator	8	1
2. Total amount of securitized assets as per books of the SPEs	71,542.16	5,611.43
3. Total amount of exposures retained by the originator to comply with MRR as on the date of balance sheet	14,315.35	953.95
a) Off Balance sheet exposures	-	-
* First loss	-	-
* Others	-	-
b) On Balance sheet exposures	-	-
* First loss	6,300.51	392.80

(All amounts in INR lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
* Others	8,014.84	561.15
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	63,527.31	5,050.28
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	14,315.35	953.95
8 Average default rate of portfolios observed in the past. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc	-	-
9 Amount and number of additional/top up loan given on same underlying asset. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc	-	-
10 Investor complaints (a) Directly/Indirectly received and; (b) Complaints outstanding	-	-

(v) Detail of assignment transactions undertaken:-

The Company has entered into various agreements for the assignments of loans with assignees, wherein it has assigned a part of its loans portfolio amounting to INR 89,056.92 lakhs during the year ended March 31, 2022 (March 31 2021 INR 74,271.48 lakhs), being the principal value outstanding as on the date of the deals that are outstanding. In terms of accounting policy mentioned in Significant Accounting Policies, The Company has derecognized these loan portfolios. The Company is responsible for collection and getting servicing of this loan portfolio on behalf of investors/buyers. In terms of the said assignment agreements, the Company pays to investor/buyers on agreed date basis the prorata collection amount as per individual agreement terms.

(a) Disclosure for transfer of loan exposure as per RBI circular no.DOR.STR.REC.51/21.04.048/2021-22 dated September, 24, 2021.

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
i) Total number of loans assets assigned during the year	3,36,467	3,12,636
ii) Book value of loans assets assigned during the year	89,056.92	74,271.48
iii) Sale consideration received during the year	89,056.92	74,271.48
iv) Interest spread recognized in the statement of profit and loss during the year (including amortization of unamortized interest spread)	6,059.02	6,144.89

(All amounts in INR lakhs, unless otherwise stated)

(b) Additional Disclosure for transfer of loan exposure as per RBI circular no.DOR.STR.REC.51/21.04.048/2021-22 dated September, 24, 2021.

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
i) Weighted average maturity of loans assets assigned (in Years)	1.41	1.26
ii) Weighted average holding period of loans assets assigned (in Months)	6.17	6.17
iii) Retention of beneficial economic interest on loans assets assigned (in%)	11.67%	9.52%
iv) Coverage of tangible security coverage	NIL	NIL
v) Rating-wise distribution of rated loans.	Not rated	Not rated
vi) Agreed to replace loans transferred to transferee(s) or pay damages arising out of any representation or warranty	No	No

(vi) Details of financial asset sold to Securitization/Reconstruction Company for asset reconstruction:-

The Company has not sold financial assets to Securitization/Reconstruction Companies for asset reconstruction in the current and previous year.

(vii) Detail of non-performing financial asset purchased/sold:-

The Company has not purchased non-performing financial asset in the current and previous year, however the Company has sold some of its non performing assets in current year. Details of the same has been given in point (D) below..

(viii) Asset Liability Management Maturity pattern of certain items of assets and liabilities:-

As at March 31, 2022

Particulars	Liabilities				Assets		
					Advances		
	Borrowings from Banks	Market Borrowings (other than Banks)	Foreign Borrowings	Payable towards assignment and securitization transactions	a) Portfolio (including Securitization)	b) Advances-Others	Investments
1 to 7 Days	10,197.84	2,735.17	-	22.78	5,475.37	84,456.89	-
8 to 14 Days	10,197.84	2,735.17	-	10,642.68	5,475.37	21,764.41	-
15 Days to 30/31 (One Month)	20,395.69	5,470.35	-	7,043.58	10,950.72	16,399.61	163.80
Over 1 Month to 2 months	11,732.62	10,454.35	1,335.75	-	32,739.83	2,664.23	170.82
Over 2 months upto 3 months	17,372.88	34,289.40	314.67	-	29,640.48	7,847.65	160.71
Over 3 months upto 6 months	46,697.28	22,887.35	7,413.54	-	83,525.97	28,114.54	346.03
Over 6 months upto 1 Year	79,423.22	33,879.55	1,650.42	-	1,30,786.74	11,394.65	112.51
Over 1 Year upto 3 Year	75,050.70	95,217.56	9,119.00	-	1,81,908.08	18,822.96	3,792.24
Over 3 Year upto 5 Year	20,013.57	16,626.22	10,999.50	-	8,327.59	1.02	-
Over 5 Year	-	73.10	-	-	909.61	-	28,870.75
Total	**2,91,081.64**	**2,24,368.22**	**30,832.88**	**17,709.04**	**4,89,739.76**	**1,91,465.96**	**33,616.86**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts in INR lakhs, unless otherwise stated)

As at March 31, 2021

Particulars	Liabilities				Assets		
					Advances		Investments
	Borrowings from Banks	Market Borrowings (other than Banks)	Foreign Borrowings	Payable towards assignment and securitization transactions	a) Portfolio (including Securitization)	b) Advances- Others	
1 to 7 Days	5,373.73	2,349.93	-	-	8,964.36	31,423.56	-
8 to 14 Days	5,373.73	2,349.93	-	-	8,964.36	31,423.56	-
15 Days to 30/31 (One Month)	10,747.46	4,699.87	-	19,885.74	11,952.48	62,847.12	-
Over 1 Month to 2 months	6,754.70	3,978.77	1,335.75	-	16,733.26	1,024.86	-
Over 2 months upto 3 months	23,202.54	11,464.80	306.27	-	20,819.94	2,409.43	-
Over 3 months upto 6 months	43,042.04	36,491.13	306.27	-	74,101.84	31,296.60	-
Over 6 months upto 1 Year	54,425.66	1,12,172.28	1,948.29	-	1,56,577.80	11,281.94	57.55
Over 1 Year upto 3 Year	53,993.88	1,63,484.04	13,171.25	-	2,40,601.67	14,473.49	-
Over 3 Year upto 5 Year	23,338.78	10,610.83	2,671.50	-	8,636.20	83.34	-
Over 5 Year	-	1,619.17	7,350.47	-	4,144.30	-	28,260.75
Total	**2,26,252.52**	**3,49,220.75**	**27,089.80**	**19,885.74**	**5,51,496.22**	**1,86,263.89**	**28,318.30**

Notes:

i) Above mentioned portfolio (own) does not include undrawn facilities amounting to INR 5,950 lakhs(March 2021 INR 2,400 lakhs), since there are no sanctioned disbursement schedule.

ii) Unamortized processing fees are included in portfolio and borrowings.

(ix) Exposures:-

(a) Exposure to real state sector:-Nil (March 31, 2021 : Nil)

(b) Exposure to capital market:-Nil (March 31, 2021 : Nil)

(x) Details of Single Borrower Limit (SGL)/Group Borrower Limit (GBL) exceeded by applicable NBFC.

The Company does not have single or group borrower exceeding the limits.

(xi) Unsecured Advances – Refer note 8 of Balance Sheet notes

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

This disclosure is not applicable as the Company does not have any holding/parent Company.

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

The Company is registered with following other financial sector regulators:

(a) Ministry of Corporate Affairs (MCA)

(b) Ministry of Finance (Financial Intelligence Unit)

(c) Securities and Exchange Board of India (SEBI)

(d) Central Registry of Securitization Asset Reconstruction and Security Interest of India (CERSAI)

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

No penalty has been imposed by RBI during the year.

(xv) Related party transactions:-

Please refer to note no 48

(xvi) Rating assigned by credit rating agencies and migration of ratings during the year-

The Credit Analysis & Research Limited has reaffirmed the MFI grading, MFI 1, during the year.

(xvii) Revenue Recognition

Revenue recognition has not been postponed by the Company during the year (previous year NIL) due to any pending resolutions of significant uncertainties.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts in INR lakhs, unless otherwise stated)

During the year, the Company's various instruments were rated, the details of these ratings are as under:-

S. No.	Particulars	Amount (INR in Crores)	Credit rating agency	Current rating	Previous rating
1	Fund Based -Long Term Bank Facilities	2,800.00	Credit Analysis & Research Limited	CARE A-; Negative	CARE A-; Stable
2	Subordinate Debt	30.00	Credit Analysis & Research Limited	CARE A-; Negative	CARE A-; Stable
3	Non Convertible Debentures	50.00	Credit Analysis & Research Limited	CARE A-; Negative	CARE A-; Stable
4	Non Convertible Debentures	26.28	Credit Analysis & Research Limited	CARE A-; Negative	CARE A-; Stable
5	Non Convertible Debentures	68.00	Credit Analysis & Research Limited	CARE A-; Negative	CARE A-; Stable
6	Non Convertible Debentures	65.00	Credit Analysis & Research Limited	CARE A-; Negative	CARE A-; Stable
7	Non Convertible Debentures	60.00	Credit Analysis & Research Limited	CARE A-; Negative	CARE A-; Stable
8	Non Convertible Debentures	334.20	Credit Analysis & Research Limited	CARE A-; Negative	CARE A-; Stable
9	Non Convertible Debentures	38.70	Credit Analysis & Research Limited	CARE A-; Negative	CARE A-; Stable
10	Non Convertible Debentures	120.00	Credit Analysis & Research Limited	CARE A-; Negative	CARE A-; Stable
11	Non Convertible Debentures	50.05	Credit Analysis & Research Limited	CARE A-; Negative	CARE A-; Stable
12	Non Convertible Debentures	200.00	Credit Analysis & Research Limited	CARE A-; Negative	CARE A-; Stable
13	Non Convertible Debentures	300.00	Credit Analysis & Research Limited	CARE A-; Negative	CARE A-; Stable
14	Non Convertible Debentures	700.00	Credit Analysis & Research Limited	CARE A-; Negative	CARE A-; Stable
15	Commercial Paper	200.00	Credit Analysis & Research Limited	CARE A1	CARE A1
16	Commercial Paper	200.00	ICRA Limited	[ICRA] A1	[ICRA] A1
17	Subordinate Debt	100.00	ICRA Limited	[ICRA]A- (Negative)	[ICRA]A- (Stable)
18	Non Convertible Debentures	25.00	ICRA Limited	[ICRA]A- (Negative)	[ICRA]A- (Stable)
19	Long-term Fund-based Term Loan Facilities Program	40.00	ICRA Limited	[ICRA]A(CE) (Stable)	[ICRA]A(CE) (Stable)
20	Non Convertible Debentures	150.00	Brickwork Limited	BWR A- / Negative	BWR A- / Stable
21	Securitization	173.09	Credit Analysis & Research Limited	Provisional CARE A (SO)	
22	Securitization	85.60	Credit Analysis & Research Limited	Provisional CARE AA (SO)	
23	Securitization	3.09	Credit Analysis & Research Limited	Provisional CARE AA- (SO)	
24	Securitization	31.51	Credit Analysis & Research Limited	CARE A- (SO)	
25	Securitization	81.94	Credit Analysis & Research Limited	Provisional CARE AA (SO)	
26	Securitization	2.96	Credit Analysis & Research Limited	Provisional CARE AA- (SO)	
27	Securitization	100.00	Credit Analysis & Research Limited	Provisional CARE AA (SO)	

(All amounts in INR lakhs, unless otherwise stated)

S. No.	Particulars	Amount (INR in Crores)	Credit rating agency	Current rating	Previous rating
28	Securitization	50.00	Credit Analysis & Research Limited	Provisional CARE AA (SO)	
29	Securitization	61.08	Credit Analysis & Research Limited	Provisional CARE A+ (SO)	
30	Securitization	1.39	Credit Analysis & Research Limited	Provisional CARE A (SO)	
31	Securitization	41.78	India Ratings	Provisional CARE A+ (SO)	
32	Securitization	1.01	India Ratings	Provisional CARE A (SO)	

(xvii) Remuneration of directors:-

Particulars	Position	Remuneration		Provident fund and others		Sitting fees	
		For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2021
Mr Harvinder Pal Singh	Chairman & Managing Director	140.32	136.72	14.39	17.99	Nil	Nil
Mr Satvinder Singh	Non- Executive Director	-	-	-	-	6.00	5.75
Mr Rakesh Sachdeva	Non- Executive Director (till November 04, 2020)	-	-	-	-	-	4.05
Mr Sundeep Kumar Mehta	Non- Executive Director	-	-	-	-	7.60	7.70
MrsSangeeta Khorana	Non- Executive Director	-	-	-	-	3.70	4.40
Mr Goh Colin	Non- Executive Director	-	-	-	-	5.80	3.90
Mr Sanjay Kumar Bhatia	Non- Executive Director	-	-	-	-	6.10	5.50
Mr Anil Kumar Kalra	Non- Executive Director	-	-	-	-	5.00	4.15
Mr Christian Bernhard Ramm	Non- Executive Director	-	-	-	-	-	-

(xviii) Additional disclosures:-

(a) Provisions and contingencies:-

Break up of Provisions and Contingencies shown under the head expenditure in statement of profit and loss	For the year ended March 31, 2022	For the year ended March 31, 2021
Provision for depreciation on investment	-	-
Provision towards NPA	8,348.98	14,067.26
Provision made towards income tax	3,132.23	4,962.74
Other provision and contingencies (with details)		
i) Provision for compensated absences	(424.85)	230.73
ii) Provision for gratuity	234.01	221.65
Provision for Standard assets	(2,814.20)	(763.71)

(b) Draw down from reserves:-

There has been no draw down from reserve during the year ended March 31, 2022 (Previous year: INR Nil)

(All amounts in INR lakhs, unless otherwise stated)

(c) Concentration of advances, exposures and NPAs:-

Particulars	As at March 31, 2022	As at March 31, 2021
Concentration of advances		
Total advance to twenty largest borrowers	23,210.90	11,853.40
% of advance to twenty largest borrowers to total advances	4.47%	2.72%
Concentration of exposures		
Total exposure to twenty largest borrowers/customers	30,060.32	19,979.64
% of exposure to twenty largest borrowers/customers to total exposure	5.71%	3.53%
Concentration of NPAs		
Total exposure of top four NPA account	78.07	62.06
% of exposure to top four NPA account	0.02%	0.01%

Interest due but not received and deferred processing fees on portfolio are included in portfolio.

(d) Sector-wise NPAs:-

Particulars	As at March 31, 2022	As at March 31, 2021
	Percentage of NPAs to total advance to that sector	
Sector		
1 Agriculture and allied activities	8.02%	8.48%
2 MSME	12.32%	11.10%
3 Corporate borrowers	0.00%	0.00%
4 Services	7.35%	8.00%
5 Unsecured personal loans	0.00%	0.00%
6 Auto loans	0.00%	0.00%
7 Other personal loans	0.00%	0.00%

Interest due but not received on portfolio are not included in portfolio.

(e) Movement of NPAs:-

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
i) Net NPAs to net advance (%)	2.47%	4.75%
ii) Movement of NPAs (Gross)		
a) Opening balance	47,196.37	15,049.79
b) Addition during the year	5,809.84	45,982.17
c) Reduction/ write off during the year	11,810.92	13,835.59
d) Closing balance	41,195.29	47,196.37
iii) Movement of NPAs (Net)		
a) Opening balance	26,575.06	8,495.72
b) Addition during the year	-	25,360.86
c) Reduction/ write off during the year	14,350.06	7,281.52
d) Closing balance	12,225.00	26,575.06
iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
a) Opening balance	20,621.31	6,554.07
b) Addition during the year	14,546.67	20,621.31
c) Reduction/ write off during the year	6,197.69	6,554.07
d) Closing balance	28,970.29	20,621.31

(f) Overseas assets (for those with Joint Ventures and subsidiaries abroad) – Nil

(g) Off-balance sheet SPVs sponsored – N.A.

(All amounts in INR lakhs, unless otherwise stated)

(h) Customer complaints:-

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
a) Number of complaints pending at the beginning of the year	5	-
b) Number of complaint received during the year	11,093	6,101
c) Number of complaint redressed during the year	11,047	6,096
d) Number of complaint pending at the end of the year	51	5

(i) Instances of fraud:-

Nature of fraud (cash embezzlement by employee)	For the year ended March 31, 2022	For the year ended March 31, 2021
Number of cases	115	222
Amount of fraud	155.96	117.47
Recovery*	53.19	15.97
Amount written off	102.77	101.50

*Including INR 35.30 lakhs recovery of previous years.

Nature of fraud (Borrower)	For the year ended March 31, 2022	For the year ended March 31, 2021
Number of cases	-	1
Amount of fraud	-	120.97
Recovery	-	-
Amount written off	-	120.97

(B) Information on Net Interest Margin :-

Particulars	Percentage (%)
For the year ended March 31, 2022	9.40%
For the year ended March 31, 2021	8.05%

(C) Disclosure as required by Para 18 of Non-Banking Financial Company – systemically important non-deposit taking Company and deposit taking Company (Reserve Bank) Directions, 2016 is as under.

	Particulars	Amount Outstanding	Amount Overdue
	Liabilities side:		
1	Loans and advances availed by the Non-Banking Financial Company inclusive of interest accrued thereon but not paid:		
	(a) Debentures		
	: Secured	1,16,490.56	-
	: Unsecured	25,051.73	-
	(other than falling within the meaning of Public deposits)		
	(b) Deferred Credits	-	-
	(c) Term Loans	3,39,936.76	-
	(d) Inter-corporate loans and borrowing	-	-
	(e) Commercial Paper	-	-
	(f) Public deposits		
	(g) Other Loans :		
	Other unsecured loans against assets of the Company	-	-
	Secured loans against assets of the Company	137.46	-
	Overdraft facility	19,418.55	-
	Liability against securitized assets	50,294.24	-
	Liability against leased assets	500.93	-
	Preference shares other than those that qualify as equity	-	-

(All amounts in INR lakhs, unless otherwise stated)

Particulars		Amount Outstanding	Amount Overdue
2	**Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):**		
	(a) In the form of Unsecured debentures	-	-
	(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-
	(c) Other public deposits	-	-
	Assets side :	**Amount outstanding**	
3	**Break-up of Loans and advances including bills receivables (other than those included in (4) below) :**		
	(a) Secured		5,246.01
	(b) Unsecured		5,18,966.47
4	**Break-up of Leased Assets and stock on hire and other assets counting towards**		
	AFC activities		
	(I) Lease assets including lease rentals under sundry debtors :		
	(a) Financial lease		-
	(b) Operating lease		-
	(II) Stock on hire including hire charges under sundry debtors :		
	(a) Assets on hire		-
	(b) Repossessed Assets		-
	(III) Other loans counting towards AFC activities		
	(a) Loans where assets have been repossessed		-
	(b) Loans other than (a) above		-
5	**Break-up of Investments :**		
	Current Investments :		
	1. Quoted :		
	(I) Shares :		
	(a) Equity		-
	(b) Preference		-
	(II) Debentures and Bonds		-
	(III) Units of mutual funds		59.24
	(IV) Government Securities		-
	(V) Others (please specify)		-
	2. Unquoted :		
	(I) Shares :		
	(a) Equity		-
	(b) Preference		-
	(II) Debentures and Bonds		-
	(III) Units of mutual funds		-
	(IV) Government Securities		-
	(V) Others :		
	(a) Certificate of Deposit		-
	(b) Commercial Paper		-
	Long Term Investments :		
	1. Quoted :		
	(I) Shares :		
	(a) Equity		-
	(b) Preference		-
	(II) Debentures and Bonds		-
	(III) Units of mutual funds		-
	(IV) Government Securities		-
	(V) Others (please specify)		-

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Amount Outstanding
2. Unquoted :	
(I) Shares :	
(a) Equity	28,760.24
(b) Preference	110.00
(II) Debentures and Bonds	-
(III) Units of mutual funds	-
(IV) Government Securities	0.51
(V) Others (Pass through Certificates and Security Receipts in Prudent Trust 67/22)	4,686.87
Total	**33,616.86**

6 Borrower group-wise classification of assets financed as in (2) and (3) above:

Category	Particulars			Total
	Secured	Unsecured	Provision	
1. Related Parties				
(a) Subsidiaries	-	4,050.00	5.67	4,044.33
(b) Companies in the same group	-	-	-	-
(c) Other related parties	-	92.29	0.13	92.16
2. Other than related Parties	5,246.01	5,14,824.18	34,466.92	4,85,603.27
Total	**5,246.01**	**5,18,966.47**	**34,472.72**	**4,89,739.76**

7 Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

Category	Market Value/Breakup or fair value or NAV	Book Value (Net of Provision)
1. Related Parties		
(a) Subsidiaries	28,760.24	28,760.24
(b) Companies in the same group	-	-
(c) Other related parties	-	-
2. Other than related Parties	4,856.62	4,856.62
Total	**33,616.86**	**33,616.86**

8 Other information

Particulars	Amount
(I) Gross Non-Performing Assets	41,195.29
(a) Related parties	-
(b) Other than related parties	41,195.29
(II) Net Non-Performing Assets	12,225.00
(a) Related parties	-
(b) Other than related parties	12,225.00
(III) Assets acquired in satisfaction of debt	-

9 Pursuant to RBI circular RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 04, 2019, Liquidity credit risk disclosures are presented as below:

Qualitative Disclosure on LCR

As per Reserve Bank of India guidelines, all deposit-taking NBFCs irrespective of their asset size and non-deposit-taking NBFCs with an asset size of INR5,000 Crore and above are required to maintain a liquidity coverage ratio (LCR) to ensure that they have adequate high-quality liquid assets(HQLA) to survive any acute liquidity stress scenario lasting for 30 days. The LCR is calculated by dividing a Company's stock of HQLA by its total net cash outflows over a 30 -day stress period. Stressed cash flows are computed by assigning a predefined stress percentage to the overall cash inflows and cash outflows.

(All amounts in INR lakhs, unless otherwise stated)

The Company includes cash and bank balances without any haircut under high-quality Liquid Assets (HQLA). The HQLA as on 31, March 2022 stood at INR 76,893.08 lakhs.

Cash outflows under secured funding include contractual payments of the term loan, NCDs, and bank overdraft facility including interest payments. To compute inflow from fully performing exposures, the Company considers collection from performing advances including interest due in the next 30 days. Other cash inflows include cash from unencumbered fixed deposits and mutual fund investments maturing in the next 30 days. The LCR as on March 31, 2022 is 241%, which is above the regulatory requirement of 50%.

(i) LCR Disclosure

	Particulars	As at March 31, 2022		As at December 31, 2021		As at September 30, 2021		As at June 30, 2021	
		Total Unweighted Amount[1]	Total Weighted Amount[2]	Total Unweighted Amount[1]	Total Weighted Amount[2]	Total Unweighted Amount[1]	Total Weighted Amount[2]	Total Unweighted Amount[1]	Total Weighted Amount[2]
	High Quality Liquid Assests (HQLAs)								
1	Total High Quality Liquid Assets (HQLA)	76,893.08	76,893.08	64,454.30	64,454.25	49,562.45	49,562.40	71,115.30	68,118.11
	Cash Outflows								
2	Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-
3	Unsecured wholesale funding	305.76	351.63	346.55	398.53	336.45	386.92	1,842.76	2,119.17
4	Secured wholesale funding	52,829.46	60,753.88	61,578.62	70,815.42	71,400.39	41,055.22	1,04,288.13	59,965.67
5	Additional requirements, of which								
i	Outflows related to derivative exposures and other collateral requirements	596.58	686.07	592.19	681.01	582.74	670.15	573.28	659.27
ii	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
iii	Credit and liquidity facilities	-	-	-	-	-	-	-	-
6	Other contractual funding obligations	17,713.50	20,370.53	16,228.54	18,662.82	34,403.37	39,563.87	24,768.49	28,483.76
7	Other contingent funding obligations	238.74	274.55	5,276.36	6,067.81	11,165.46	12,840.28	10,794.59	12,413.78
8	**TOTAL CASH OUTFLOWS**	**71,684.05**	**82,436.66**	**84,022.25**	**96,625.59**	**1,17,888.41**	**94,516.44**	**1,42,267.25**	**1,03,641.66**
	Cash Inflows								
9	Secured lending	-	-	-	-	347.79	260.85	211.35	158.51
10	Inflows from fully performing exposures	37,901.48	28,426.11	30,485.86	22,864.40	95,056.73	47,071.30	89,553.35	60,943.76
11	Other cash inflows	29,548.49	22,161.37	73,292.35	30,969.26	27,600.24	20,700.18	24,352.38	18,264.28
12	**TOTAL CASH INFLOWS**	**67,449.96**	**50,587.47**	**1,03,778.21**	**53,833.66**	**1,23,004.77**	**68,032.33**	**1,14,117.08**	**79,366.56**
13	**TOTAL HQLA**	**76,893.08**	**76,893.08**	**64,454.30**	**64,454.25**	**49,562.45**	**49,562.40**	**71,115.30**	**68,118.11**
14	TOTAL NET CASH OUTFLOWS	17,921.01	31,849.18	21,005.56	42,791.93	29,472.10	26,484.12	35,566.81	25,910.41
15	**LIQUIDITY COVERAGE RATIO (%)**		**241.43%**		**150.62%**		**187.14%**		**262.90%**
	Components of HQLA								
	Cash on hand		4,758.22		4,903.69		4,556.38		4,537.01
	Balance with banks in current accounts		72,134.86		59,550.10		45,005.56		46,596.87
	Government Securities		-		0.46		0.46		0.46
	Corporate Bonds		-		-		-		6,359.76
	Commercial Papers		-		-		-		10,624.02

[1]Unweighted values have been calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows).

[2]Weighted values have been calculated after the application of respective haircuts (for HQLA) and stress factors on inflow and outflow

(All amounts in INR lakhs, unless otherwise stated)

(ii) Funding Concentration based on significant counterparty

Sr. No.	Number of Significant Counterparties	Amount*	% of Total deposits	% of Total Liabilities
1	Twenty One	4,05,764.95	N.A.	70.33%

*Unamortized processing fees are included in borrowings.

(iii) Top 20 large deposits

There are no deposits accepted by the Company during the year as company is non-deposit taking NBFC.

(iv) Top 10 borrowings

Sr. No.	For the Financial Year ended	Amount*	% of total borrowings
1	March 31, 2022	2,80,340.38	51.32%
2	March 31, 2021	3,35,724.66	55.72%

*Unamortized processing fees are included in borrowings.

(v) Funding Concentration based on significant instrument/product

Sr. No.	Nature of significant instrument/product	As at March 31, 2022		As at March 31, 2021	
		Amount*	% of Total Liabilities	Amount*	% of Total Liabilities
1	Non-convertible debentures	1,37,948.55	23.91%	1,92,172.21	30.10%
2	Term loans	3,04,847.36	52.84%	3,60,257.00	56.44%
3	Overdraft facility against term deposits	19,418.55	3.37%	10,989.97	1.72%
4	External commercial borrowings	30,831.82	5.34%	26,644.95	4.17%
5	Commercial paper	2,441.29	0.42%	3,838.25	0.60%
6	Preference shares other than those that qualify as equity	-	0.00%	2,499.63	0.39%
7	Liability against securitized assets	50,294.24	8.72%	5,501.35	0.86%
8	Liability against leased assets	500.93	0.09%	659.72	0.10%
	Total	**5,46,282.74**	**94.69%**	**6,02,563.08**	**94.39%**

*Unamortized processing fees are included in borrowings.

(vi) Stock Ratios:

Sr. No.	Particulars	As at March 31, 2022						
		Amount	Total public funds	Total liabilities	Total assets	% of Total public funds	% of Total liabilities	% of Total assets
1	Commercial papers	2,441.29	N.A.	5,76,915.67	7,37,540.50	N.A.	0.42%	0.33%
2	Non-convertible debentures (original maturity of less than one year)	-	N.A.	5,76,915.67	7,37,540.50	N.A.	0.00%	0.00%
3	Other short-term liabilities (excluding commercial paper)	48,525.81	N.A.	5,76,915.67	7,37,540.50	N.A.	8.41%	6.58%

Sr. No.	Particulars	As at March 31, 2021						
		Amount	Total public funds	Total liabilities	Total assets	% of Total public funds	% of Total liabilities	% of Total assets
1	Commercial papers	3,838.25	N.A.	6,38,346.19	7,87,451.42	N.A.	0.60%	0.49%
2	Non-convertible debentures (original maturity of less than one year)	1,499.35	N.A.	6,38,346.19	7,87,451.42	N.A.	0.23%	0.19%
3	Other short-term liabilities (excluding commercial paper)	19,248.83	N.A.	6,38,346.19	7,87,451.42	N.A.	3.02%	2.44%

(All amounts in INR lakhs, unless otherwise stated)

(vii) Institutional set-up for liquidity risk management

The Company has a robust risk management system in place. To ensure smooth functioning of business operations, the Company maintains adequate liquidity in the form of cash, Bank Balances, and mutual funds. The Company has a Risk Management Committee of the Board (RMCB) and is further sub-delegated to the Executive Risk Management Committee and the Asset Liability Management Committee (ALCO). The responsibility of the ALCO is to manage liquidity risk. ALCO reviews and ensures compliance with policies, frameworks, internal limits, and regulatory limits related to ALM and update the same to the board. The Executive Risk Management Committee is responsible for overseeing the implementation of risk management framework across SCNL and providing recommendations to the RMCB. RMCB meetings are held at periodic intervals.

(D) Details of stressed loans transferred during the year (to be made separately for loans classified as NPA and SMA) in accordance with RBI Master Direction- Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 dated September 24, 2021

(a) Details of NPA loans sold during the year

Sr. No.	Particulars	To ARCs		To permitted transferees	
		For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2021
1	No: of accounts	13,695	-	-	-
2	Aggregate principal outstanding (including interest accrued) of loans transferred	5,314.81	-	-	-
3	Weighted average residual tenor of the loans transferred (months)	4.65	-	-	-
4	Net book value of loans transferred (at the time of transfer)*	5,314.81	-	-	-
5	Aggregate consideration	5,300.00	-	-	-
6	Additional consideration realized in respect of accounts transferred in earlier years	-	-	-	-

*excludes ECL provision of INR 2,097.76 lakhs which has been reversed on account of sale of portfolio of such loans.

(b) There are no loans loans acquired during the year

(c) Distribution of the SRs held across the various categories of Recovery Ratings assigned to such SRs by the credit rating agencies.

Sr. No.	Security Receipts	Category of Recovery Ratings	For the year ended March 31, 2022	For the year ended March 31, 2021
1	Security Receipts in Prudent Trust 67/22	Yet to be rated	4,505.00	-
			4,505.00	**-**

(E) Pursuant to RBI circular RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated August 06, 2020 issued for Resolution Framework for COVID-19-related Stress,

Sr. No.	Type of borrower	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
1	Personal Loans	-	-	-	-	-
2	Business Loan - JLG	1,14,559.20	5,593.53	-	22,586.72	86,378.95
3	Business Loan - Others	96.29	5.40	-	12.41	78.48
4	Corporate persons*	116.57	-	-	3.77	112.80
	Of which MSMEs	-	-	-	-	-
	Total	**1,14,772.06**	**5,598.93**	**-**	**22,602.90**	**86,570.23**

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

(All amounts in INR lakhs, unless otherwise stated)

58. DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MSMED ACT, 2006

Particulars	As at March 31, 2021	As at March 31, 2020
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	172.02	223.90
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.	-	-

59. ADDITIONAL INFORMATION PURSUANT TO MINISTRY OF CORPORATE AFFAIRS NOTIFICATION DATED MARCH 24, 2021 WITH RESPECT TO AMENDMENTS IN SCHEDULE III OF COMPANIES ACT, 2013

(i) All the borrowings of the Company are used for the specific purpose for which it was taken.

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

(iii) The Company is not a willful defaulter as declared by any bank or financial Institution or any other lender.

(iv) The Company does not have any transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.

(v) There are no charges or satisfaction yet to be registered with Registrar of Companies (ROC) beyond the statutory period.

(vi) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

(vii) There are no transactions which are not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(viii) The Company has not traded or invested in Crypto currency or Virtual Currency during the year.

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

Naveen Aggarwal
Partner
Membership Number: 094380

Place : New Delhi
Date : May 04, 2022

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

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

Satvinder Singh
(Director)
DIN: 00332521
Place : Gurugram

Sanjay Kumar Bhatia
(Chairman Audit Committee cum Director)
DIN: 07033027
Place : Gurugram

Vipul Sharma
(Company Secretary & Compliance Officer)
Membership Number: A27737

Rakesh Sachdeva
(Chief Financial Officer)
Place : Gurugram

Place : Gurugram
Date : May 04, 2022

INDEPENDENT AUDITOR'S REPORT

To the Members of Satin Creditcare Network Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated financial statements of **Satin Creditcare Network Limited** (the "Company") and its subsidiaries (the Company and its subsidiaries together referred to as the "Group") which comprise the Consolidated Balance Sheet as at March 31, 2022, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid Consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standard prescribed under section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2022, of consolidated profit & total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter – COVID 19

We draw attention to Note 53 to the accompanying consolidated financial statements, which describes significant uncertainties due to the outbreak of COVID-19 pandemic. The impact of the pandemic on the operations of the Company and its financial position as at March 31, 2022 including the measurement of expected credit losses on the loan assets are significantly dependent on uncertain future economic conditions. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	Auditor's Response
In respect of the Company	**Audit Procedures**
Use of information processing system for accounting and financial reporting The Company is operating in Financial Services Sector, where in due to large volume processing, accounting & reporting of financial information is reliant on information processing systems and IT backed internal controls. The controls implemented by the Company in its IT environment determine the integrity, accuracy, completeness and validity of data that is processed by the applications and is ultimately used for financial reporting. Since our audit strategy included focus on entity's information processing systems relevant to our audit due to their pervasive impact on the standalone financial	Our key audit procedures on this matter included, but were not limited, to the following: (a) obtained an understanding of the Company's information processing systems, IT General Controls and automated IT controls for applications, databases and operating systems relevant to our audit; (b) performance of the following procedures: (i) tested the IT General Controls around user access management, system change management, and IT operational controls along with segregation of duties around program maintenance, security administration

Key audit matter	Auditor's Response
statements, we have determined the use of information processing system for accounting and financial reporting as a key audit matter for the current year audit.	and over key financial accounting and reporting processes; (ii) tested the design and operating effectiveness of the Company's periodic review of access rights. We also tested requests of changes to systems for approval and authorization; and (iii) tested the automated controls like interfaces and information generated by the entity's information processing systems for loans, interest income and other significant financial statement items. (iv) In addition to the above, we tested the design and operating effectiveness of certain automated controls that were considered as key internal controls over financial reporting (c) obtained written representations from management and those charged with governance on whether IT general controls and automated IT controls are designed and were operating effectively during the period covered by our audit.
Impairment of Financial Assets as at Balance Sheet date (Expected Credit losses on loans) and implementation of COVID-19 relief measures **[Refer Note No. 3(k) for the accounting policy and Note No. 43 for the related disclosures of standalone financials of the company]** As at March 31, 2022, the Company has financial assets (loans) amounting to INR 4,89,739.76 lakh including loans which are carried at fair value through other comprehensive income amounting to INR 3,88,533.16 lakh. As per Ind AS 109 - Financial Instruments, the Company is required to recognize loss allowance for expected credit losses (ECL) on financial assets. ECL involves an estimation of probability weighted loss on financial instruments over their life, considering reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions which could impact the credit quality of the Company's loans and advances. ECL is calculated using the percentage of probability of default (PD), loss given default (LGD) and exposure at default (EAD) for each of the stages of loan portfolio. ECL is measured at 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 loan assets. Significant management judgment and assumptions involved in measuring ECL is required with respect to: • determining the criteria for a significant increase in credit risk (SICR) • factoring in future economic assumptions • techniques used to determine probability of default, loss given default and exposure at default. These parameters are derived from the Company's internally developed statistical models with the help of experts appointment by the management and other historical data.	**Audit Procedures** Our audit focused on assessing the appropriateness of management's judgment and estimates used in the impairment analysis through the following procedures, but were not limited to the following procedures: a) performed a walkthrough of the impairment loss allowance process and assessed the design effectiveness of controls; b) read and assessed the Company's accounting policies for impairment of financial assets and their compliance with Ind AS 109 and the governance framework approved by the Board of Directors pursuant to guidelines issued by Reserve Bank of India and relief announced by the State Govt. of Assam c) obtained an understanding of the model adopted by the Company including key inputs, assumptions and management overlays for calculation of expected credit losses including the impact of COVID 19 on the assumptions and how management calculated the expected credit losses and the appropriateness of data on which the calculation is based; d) obtained the reports of the expert appointed by the management and assessed the expert's professional competence, independence and objectivity in developing the ECL model; e) obtained the policy on Restructuring of loan under resolution framework duly approved by the Board of Directors pursuant to the RBI circulars and ensured such policy is in compliant with the requirements of the RBI circular; f) evaluated the appropriateness of the Company's determination of significant increase in credit risk in accordance with the applicable Ind AS considering the impact of COVID-19 on account of benefit extended by the Company to select borrowers and the basis for classification of various exposures into various stages;

Key audit matter	Auditor's Response
COVID-19 In continuation of various relief measures announced by RBI in earlier years for the borrowers, during the year, the company has implemented the RBI circular on "Asset Classification and Income Recognition following the expiry of Covid-19 regulatory package" dated April 7, 2021 besides considering the Relief package announced by State Govt. of Assam and have been collectively considered by the management in identification, classification and provisioning of loan assets for impairment. The basis of estimates and assumptions involved in arriving at the provisions during the year were monitored by the Company periodically and significantly depend on future developments in the economy due to COVID-19 including any new relief measures' announcements by the RBI or by any State/Centre Govt. Considering the significance of the above matter to the standalone financial statements and since the matter required our significant attention to test the calculation of expected credit losses, we have identified this as a key audit matter for current year audit. We also draw attention to Note No. 53 of the accompanying consolidated financial statements, regarding uncertainties involved due to outbreak of COVID-19 pandemic with respect to the measurement of expected credit loss on such loan assets which are significantly dependent on uncertain future developments as the same is fundamental to the understanding of the users of financial statements.	g) as modeling assumptions and parameters are based on historical data, we assessed whether historical experience was representative of current circumstances and was relevant in view of the recent impairment losses incurred within the portfolios; Assessed the criteria for staging of loans based on their past due status to check compliance with requirement of Ind AS 109. Tested a sample of performing (stage 1) loans to assess whether any SICR or loss indicators were present requiring them to be classified under higher stages h) tested the design and operating effectiveness of the key controls over completeness and accuracy of the key inputs and assumptions considered for calculation, recording and monitoring of the impairment loss recognized; i) tested the accuracy of inputs through substantive procedures and assessed the reasonableness of the assumptions used; j) developed a point estimate by making reference to the expected credit losses recognized by entities that carry comparable financial assets; k) tested the arithmetical calculation of the expected credit losses; l) assessed the appropriateness and adequacy of the related presentation and disclosures in the accompanying financial statements in accordance with the applicable Ind AS and related RBI circulars and Resolution Framework; and m) obtained written representations from management and those charged with governance whether they believe significant assumptions used in calculation of expected credit losses are reasonable.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the other information identified above, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Boards of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

In preparing the consolidated financial statements, the respective Boards of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Boards of Directors either intend to liquidate their respective entities or to cease operations, or have no realistic alternative but to do so.

The respective Boards of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary companies which are companies incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern.

  If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of the company included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

We communicate with those charged with governance of the Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

We did not audit the financial statements of three subsidiaries, whose financial statements reflect total assets of INR 58,219.95 lakhs as at March 31, 2022, total revenues of INR 13,534.32 Lakhs and cash outflow (net) amounting to INR 298.57 lakhs, Net Profit after Tax of INR (1,712.08) lakhs and total Comprehensive Income of INR (1,705.66) lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management of the Company and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries based solely on the reports of the other auditors.

Our opinion on the consolidated Ind-As financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit we report that:
    a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
    b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
    c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
    d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.
    e. On the basis of the written representations received from the directors of the Company as on March 31, 2022 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
    f. With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Company and its subsidiary companies incorporated in

India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.

g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

   In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

   i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.

   ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long- term contracts including derivative contracts;

   iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its subsidiary companies incorporated in India.

   iv) (a) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

   (b) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

   (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

   v) The final dividend declared and paid on Cumulative, Non-Participative, Non-Convertible, Compulsorily Redeemable Preference Shares by the Company during the year and until the date of this report is in compliance with Section 123 of the Act (Refer Note No. 36 to the consolidated financial statements).

2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and further to the comments in "Annexure A" to Independent Auditor's Report on Standalone Financial Statements issued by us and auditors of its subsidiaries included in the consolidated financial statements of the Company, we report that there are no qualifications or adverse remarks in these CARO reports.

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

Naveen Aggarwal
Partner
Membership No.094380
UDIN : 22094380ALPJOP4855
Place : New Delhi
Date : May 4, 2022

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Satin Creditcare Network Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2022, we have audited the internal financial controls over financial reporting of **Satin Creditcare Network Limited** (hereinafter referred to as the "Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the internal control with reference to financial statements of the Company and its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI") and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal control with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to financial statements of the Company and its subsidiary companies, which are companies incorporated in India.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

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

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to the financial statements and such internal financial controls with reference to the financial statements were operating effectively as at March 31, 2022, based on the criteria for internal financial control with reference to the financial statements established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

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

Naveen Aggarwal
Partner
Membership No.094380
UDIN : 22094380ALPJOP4855
Place : New Delhi
Date : May 4, 2022

CONSOLIDATED BALANCE SHEET
AS AT MARCH 31, 2022

(All amounts in INR lakhs, unless otherwise stated)

	Notes	As at March 31, 2022	As at March 31, 2021
ASSETS			
Financial assets			
Cash and cash equivalents	4	1,09,126.48	1,16,403.35
Other bank balances	5	91,067.88	79,429.19
Derivative financial instruments	6	1,192.75	34.13
Trade receivables	7	276.08	1,945.52
Loans	8	5,30,842.27	5,81,115.60
Investments	9	4,856.62	58.06
Other financial assets	10	2,902.89	3,989.48
		7,40,264.97	**7,82,975.33**
Non-financial Assets			
Current tax assets (net)	11	526.10	-
Deferred tax assets (net)	12	8,253.66	5,218.78
Investment Property	13	698.26	693.73
Property, plant and equipment	14	8,282.18	8,751.71
Capital work-in-progress	14	17.89	364.96
Goodwill		3,370.66	3,370.66
Other intangible assets	15	230.40	310.91
Other non-financial assets	16	3,882.94	2,784.99
		25,262.09	**21,495.74**
TOTAL ASSETS		**7,65,527.06**	**8,04,471.07**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Payables			
Trade payables	17		
(i) total outstanding dues of micro enterprises and small enterprises		10.42	10.84
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1,268.06	1,130.83
Other payables	18		
(i) total outstanding dues of micro enterprises and small enterprises		172.02	223.90
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1,520.19	1,998.00
Debt securities	19	1,19,241.39	1,71,003.09
Borrowings (other than debt securities)	20	4,08,079.96	3,94,702.04
Subordinated liabilities	21	47,030.53	52,407.85
Other financial liabilities	22	28,001.28	31,776.33
		6,05,323.85	**6,53,252.88**
Non-financial Liabilities			
Current tax liabilities (net)	23	-	87.90
Provisions	24	982.33	1,642.85
Other non-financial liabilities	25	1,035.54	870.98
		2,017.87	**2,601.73**
EQUITY			
Equity share capital	26	7,459.12	6,647.12
Other equity	27	1,50,726.22	1,41,969.34
		1,58,185.34	**1,48,616.46**
TOTAL LIABILITIES AND EQUITY		**7,65,527.06**	**8,04,471.07**

Statement of significant accounting policies and other explanatory notes. 1-3

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

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

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

Naveen Aggarwal
Partner
Membership Number: 094380

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

Satvinder Singh
(Director)
DIN: 00332521
Place : Gurugram

Sanjay Kumar Bhatia
(Chairman Audit Committee cum Director)
DIN: 07033027
Place : Gurugram

Vipul Sharma
(Company Secretary & Compliance Officer)
Membership Number: A27737

Rakesh Sachdeva
(Chief Financial Officer)
Place : Gurugram

Place : New Delhi
Date : May 04, 2022

Place : Gurugram
Date : May 04, 2022

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in INR lakhs, unless otherwise stated)

	Notes	For the year ended March 31, 2022	For the year ended March 31, 2021
I. INCOME			
Revenue from operations			
Interest income	28	1,22,773.49	1,16,716.44
Dividend income	29	3.15	-
Rental income	30	11.03	16.19
Fees and commission income	31	8,126.77	9,555.96
Net gain on fair value changes	32	1,423.43	-
Net gain on derecognition of financial instruments	33	5,165.51	11,191.52
Other operating income	34	176.60	105.65
Total Revenue from operations		**1,37,679.98**	**1,37,585.76**
Other income	35	409.40	431.92
Total Income		**1,38,089.38**	**1,38,017.68**
II. EXPENSES			
Finance costs	36	62,590.71	63,786.71
Net loss on fair value changes	32	-	617.41
Impairment on financial instruments	37	18,073.66	27,902.65
Employee benefit expenses	38	39,312.43	33,732.52
Depreciation and amortization expense	39	1,574.02	1,507.63
Other expenses	40	13,120.70	11,446.15
Total		**1,34,671.52**	**1,38,993.07**
Profit/(loss) before tax		**3,417.86**	**(975.39)**
Tax expense:	41		
Current tax		3,402.70	5,194.10
Deferred tax		(2,054.73)	(4,771.27)
Total tax expenses		**1,347.97**	**422.83**
Profit/(Loss) after tax		**2,069.89**	**(1,398.22)**
Other comprehensive income			
Items that will not be reclassified to profit and loss			
Re-measurements of the defined benefit plans		19.57	(111.96)
Income tax relating to above items		(5.11)	28.84
	A	**14.46**	**(83.12)**
Items that will be reclassified to profit and loss			
Changes in fair value of loan assets		(3,915.05)	(4,489.73)
Income tax relating to above item		985.28	1,129.99
Cash flow hedge reserve		-	(65.89)
Income tax relating to above item		-	16.58
	B	**(2,929.77)**	**(3,409.05)**
Other comprehensive income	**A+B**	**(2,915.31)**	**(3,492.17)**
Total comprehensive income		**(845.42)**	**(4,890.39)**
Net profit/(loss) after tax attributable to			
Owners of the Parent Company		2,069.89	(1,398.22)
Non-controlling interests		-	-
Other comprehensive income attributable to			
Owners of the Parent Company		(2,915.31)	(3,492.17)
Non-controlling interests		-	-
Total comprehensive income attributable to			
Owners of the Parent Company		(845.42)	(4,890.39)
Non-controlling interests		-	-
Earnings per equity share (face value of INR 10 per equity share)	42		
Basic (INR)		2.96	(2.26)
Diluted (INR)		2.72	(2.26)

Statement of significant accounting policies and other explanatory notes. 1-3

This consolidated Statement of Profit and Loss referred to in our report of even date.

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

Naveen Aggarwal
Partner
Membership Number: 094380

Place : New Delhi
Date : May 04, 2022

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

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

Satvinder Singh
(Director)
DIN: 00332521
Place : Gurugram

Sanjay Kumar Bhatia
(Chairman Audit Committee cum Director)
DIN: 07033027
Place : Gurugram

Vipul Sharma
(Company Secretary & Compliance Officer)
Membership Number: A27737

Rakesh Sachdeva
(Chief Financial Officer)
Place : Gurugram

Place : Gurugram
Date : May 04, 2022

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in INR lakhs, unless otherwise stated)

		For the year ended March 31, 2022	For the year ended March 31, 2021
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit/(Loss) before tax	3,417.86	(975.39)
	Adjustments for:		
	Depreciation and amortization	1,284.30	1,106.25
	Depreciation of right-of-use assets	289.72	401.38
	Net loss/(gain) on derecognition of property, plant and equipment	20.03	(10.11)
	Fair value gain on mutual funds	(264.81)	(32.80)
	Unrealized (gain)/loss on fair value changes of derivatives and investments	(1,158.62)	650.21
	Property, plant and equipment written off	39.14	25.08
	Impairment on financial instruments	18,073.66	27,902.65
	Dividend income	(3.15)	-
	Gain on sale of loan portfolio through assignment	(5,165.51)	(11,191.52)
	First loss default guarantee expenses	2,956.11	2,285.07
	Share based payment to employees	(38.85)	(78.68)
	Effective interest rate adjustment for financial instruments	1,931.83	2,180.09
	Interest expense for leasing arrangements	89.03	99.40
	Net gain on termination of leases	(7.78)	(3.15)
	Unrealized exchange fluctuation loss/(gain) (net)	367.92	(381.17)
	Operating profit before working capital changes	**21,830.88**	**21,977.31**
	Movement in working capital		
	Decrease/(Increase) in trade receivables	1,669.44	(712.55)
	Decrease/(Increase) in loans	33,465.92	(1,07,931.20)
	Increase in deposits	(11,638.69)	(9,011.55)
	Decrease/(Increase) in other financial assets	1,070.80	(1,741.68)
	Increase in other non-financial assets	(1,164.67)	(719.69)
	(Decrease)/Increase in trade and other payables	(392.88)	871.17
	(Decrease)/Increase in other financial liabilities	(6,731.16)	3,958.93
	(Decrease)/Increase in provisions	(640.95)	245.18
	Increase/(Decrease) in other non-financial liabilities	164.56	(98.14)
	Cash generated from / (used in) operating activities post working capital changes	**37,633.25**	**(93,162.22)**
	Income taxes paid (net)	(4,016.68)	(1,327.59)
	Net cash generated from / (used in) operating activities (A)	**33,616.57**	**(94,489.81)**
B	**CASH FLOWS FROM INVESTING ACTIVITIES**		
	Purchase of property, plant and equipment and capital work-in-progress and intangible assets	(593.53)	(2,003.31)
	Proceeds from sale of property, plant and equipment and intangible assets	44.36	32.05
	Dividend income	3.15	-
	(Purchase)/Sale of other investments (net)	(4,533.75)	24,537.24
	Net cash (used in) / generated from investing activities (B)	**(5,079.77)**	**22,565.98**

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in INR lakhs, unless otherwise stated)

		For the year ended March 31, 2022	For the year ended March 31, 2021
C	**CASH FLOWS FROM FINANCING ACTIVITIES (refer to note (i) below)**		
	Proceeds from issue of share capital and share warrants (including premium and net of share issue expenses)	10,453.10	8,716.62
	Proceeds from debt securities	29,585.32	1,05,857.97
	Repayment of debt securities	(81,783.71)	(21,542.85)
	Proceeds from borrowings other than debt securities	3,19,963.64	2,46,712.15
	Repayment of borrowings other than debt securities	(3,16,735.27)	(2,61,983.40)
	Lease payments	(354.99)	(463.91)
	Proceeds from subordinated liabilities	-	304.77
	Repayment of subordinated liabilities	(5,370.18)	(4,169.77)
	Net cash (used in) / generated from financing activities (C)	**(44,242.09)**	**73,431.58**
	Net (decrease) / increase in cash and cash equivalents (A+B+C)	(15,705.29)	1,507.75
	Cash and cash equivalents at the beginning of the year (refer to note ii below)	1,05,413.05	1,03,905.30
	Cash and cash equivalents at the end of the year	**89,707.76**	**1,05,413.05**

i) *Refer to note 21 for reconciliation of liabilities arising from financing activities.*

ii) *Refer to note 5 for restricted cash and cash equivalent.*

Notes:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Cash and cash equivalents (as per note 4 to the financial statements)	1,09,126.48	1,16,403.35
Less: Overdraft facility against term deposits (as per note 20 to the financial statements)	(19,418.72)	(10,990.30)
	89,707.76	**1,05,413.05**

Statement of significant accounting policies and other explanatory notes. Note 1-3

This statement of cash flow referred to in our report of even date.

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

Naveen Aggarwal
Partner
Membership Number: 094380

Place : New Delhi
Date : May 04, 2022

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

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

Satvinder Singh
(Director)
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(Chairman Audit Committee cum Director)
DIN: 07033027
Place : Gurugram

Vipul Sharma
(Company Secretary & Compliance Officer)
Membership Number: A27737

Rakesh Sachdeva
(Chief Financial Officer)
Place : Gurugram

Place : Gurugram
Date : May 04, 2022

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in INR lakhs, unless otherwise stated)

A. Equity share capital (refer note 26)

March 31, 2022

Particulars	Balance as at April 1, 2021	Changes in Equity Share Capital due to prior period errors	Restated balance at April 1, 2021	Change during the year	Balance as at March 31, 2022
Equity share capital	6,647.12	-	6,647.12	812.00	7,459.12

March 31, 2021

Particulars	Balance as at April 1, 2020	Changes in Equity Share Capital due to prior period errors	Restated balance at April 1, 2020	Change during the year	Balance as at March 31, 2021
Equity share capital	5,171.27	-	5,171.27	1,475.85	6,647.12

B. Other equity (Refer note 27)

Particulars	Equity component of compound financial instruments	Reserves and Surplus						Equity instruments through other comprehensive income	Change in fair value of loan assets through other comprehensive income	Money received against share warrants	Cash flow hedge reserve	Total attributable to equity holders of the parent	Total non-controlling interest	Total
		Statutory reserve fund	Securities premium	General reserve	Capital redemption reserve	Share options outstanding account	Retained earnings							
Balance as at April 1, 2020	-	**9,979.33**	**94,548.74**	**29.94**	**277.00**	**540.99**	**27,387.58**	**(5.00)**	**6,869.19**	**-**	69.87	1,39,697.64	**-**	**1,39,697.64**
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at April 1, 2020	**-**	**9,979.33**	**94,548.74**	**29.94**	**277.00**	**540.99**	**27,387.58**	**(5.00)**	**6,869.19**	**-**	**69.87**	**1,39,697.64**	**-**	**1,39,697.64**
(Loss)/profit for the year	-	-	-	-	-	-	(1,398.22)	-	-	-	-	(1,398.22)	-	(1,398.22)
Other comprehensive income (net of tax)	-	-	-	-	-	-	(83.12)	-	(3,359.74)	-	(49.31)	(3,492.17)	-	(3,492.17)
Issue of equity shares (net of share issue expenses)	-	-	7,260.80	-	-	-	-	-	-	-	-	7,260.80	-	7,260.80
Transfer to statutory reserves	-	122.76	-	-	-	-	(122.76)	-	-	-	-	-	-	-
Transfer from share options outstanding account	-	-	-	-	-	(244.54)	244.54	-	-	-	-	-	-	-
Share issue expense of subsidiary	-	-	-	-	-	-	(20.03)	-	-	-	-	(20.03)	-	(20.03)
Acquisition of non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share based payment to employees	-	-	-	-	-	(78.68)	-	-	-	-	-	(78.68)	-	(78.68)
Balance as at March 31, 2021	**-**	**10,102.09**	**1,01,809.54**	**29.94**	**277.00**	**217.77**	**26,007.99**	**(5.00)**	**3,509.45**	**-**	**20.56**	**1,41,969.34**	**-**	**1,41,969.34**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Equity component of compound financial instruments	Reserves and Surplus						Equity instruments through other comprehensive income	Change in fair value of loan assets through other comprehensive income	Money received against share warrants	Cash flow hedge reserve	Total attributable to equity holders of the parent	Total non-controlling interest	Total
		Statutory reserve fund	Securities premium	General reserve	Capital redemption reserve	Share options outstanding account	Retained earnings							
Changes in accounting policy/prior period errors														
Restated balance at March 31, 2021	-	**10,102.09**	**1,01,809.54**	**29.94**	**277.00**	**217.77**	**26,007.99**	**(5.00)**	**3,509.45**	**-**	20.56	1,41,969.34	**-**	**1,41,969.34**
Profit/(loss) for the year	-	-	-	-	-	-	2,069.89	-	-	-	-	2,069.89	-	2,069.89
Other comprehensive income (net of tax)	-	-	-	-	-	-	14.46	-	(2,929.77)	-	-	(2,915.31)	-	(2,915.31)
Issue of equity shares (net of share issue expenses)	-	-	4,645.62	-	-	-	-	-	-	-	-	4,645.62	-	4,645.62
Issue of share warrants (refer note 26 (F))	-	-	-	-	-	-	-	-	-	5,000.00	-	5,000.00	-	5,000.00
Transfer to statutory reserves	-	901.89	-	-	2,500.00	-	(3,401.89)	-	-	-	-	-	-	-
Transfer from share options outstanding account	-	-	-	-	-	(178.97)	178.97	-	-	-	-	-	-	-
Share issue expense of subsidiary	-	-	-	-	-	-	(4.52)	-	-	-	-	(4.52)	-	(4.52)
Acquisition of non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share based payment to employees	-	-	-	-	-	(38.80)	-	-	-	-	-	(38.80)	-	(38.80)
Balance as at March 31, 2022	-	**11,003.98**	**1,06,455.16**	**29.94**	**2,777.00**	**-**	**24,864.90**	**(5.00)**	**579.68**	**5,000.00**	20.56	1,50,726.22	**-**	**1,50,726.22**

Statement of significant accounting policies and other explanatory notes.
This Statement of Changes in Equity referred to in our report of even date.

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

Naveen Aggarwal
Partner
Membership Number: 094380

Place : New Delhi
Date : May 04, 2022

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

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

Satvinder Singh
(Director)
DIN: 00332521
Place : Gurugram

Sanjay Kumar Bhatia
(Chairman Audit Committee cum Director)
DIN: 07033027
Place : Gurugram

Vipul Sharma
(Company Secretary & Compliance Officer)
Membership Number: A27737

Rakesh Sachdeva
(Chief Financial Officer)
Place : Gurugram

Place : Gurugram
Date : May 04, 2022

1. GROUP OVERVIEW

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

The Parent Company owns 100% equity shares of Taraashna Financial Services Limited ("TFSL"). TFSL is engaged in the Business Correspondent ("BC") activity with various banks/NBFC's.

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

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

2.A. BASIS OF PREPARATION

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

These standalone financial statements ("the Financial Statements") have been prepared in accordance with the Indian Accounting Standards ('Ind AS') as notified by Ministry of Corporate Affairs ('MCA') under Section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act. The Group has uniformly applied the accounting policies for all the periods presented in this financial statements.

The financial statements for the year ended March 31, 2022 were authorized and approved for issue by the Board of Directors on May 4, 2022.

(ii) Historical cost convention

The financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India. Further, the financial statements have been prepared on a historical cost basis, except for fair value through other comprehensive income (FVOCI) instruments, derivative financial instruments, and financial assets and liabilities designated at fair value through profit or loss (FVTPL), all of which have been measured at fair value. Further the carrying values of recognized assets and liabilities that are hedged items in fair value hedges, and otherwise carried at amortized cost, are adjusted to record changes in fair value attributable to the risks that are being hedged.

(iii) Going Concern

Management is of the view that having regard to the projections of the business prospects, Group shall be able to continue as a going concern. Accordingly, management considers it appropriate to prepare these financials statements on a going concern basis.

B. BASIS OF CONSOLIDATION

The consolidated financial statements has comprised financial statements of the Company and its subsidiaries, subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. The Group can have power over the investee even if it owns less than majority voting rights i.e. rights arising from other contractual arrangements. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. Statement of profit and loss (including other comprehensive income ('OCI')) of subsidiaries acquired or disposed of during the period are recognized from the effective date of acquisition, or up to the effective date of disposal, as applicable.

The Group combines the financial statements of the Parent Company and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's statement of profit and loss and net assets that is not held by the Group. Statement of profit and loss balance (including other comprehensive income ('OCI')) is attributed to the equity holders of the Parent Company and to the non-controlling interest basis the respective ownership interests and such balance is attributed even if this results in controlling interests having a deficit balance.

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. Such a change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Corporation's accounting policies. All intra-group assets, liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared using the significant accounting policies and measurement bases summarised as below. These policies are applied consistently for all the periods presented in the financial statements.

a) Property, plant and equipment

Recognition and initial measurement

Property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance costs are recognised in statement of profit and loss.

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

Property, plant and equipment are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation on property, plant and equipment is provided on the written down value method over the useful life of the assets as prescribed under Part 'C' of Schedule II of the Companies Act, 2013.

Asset class	Useful life
Building	60 years
Electrical equipment	10-25 years
Office equipment	5 years
Computer equipment	3-6 years
Furniture and fixtures	10 years
Vehicles	8-10 years

The Group, based on technical assessment made by technical expert and management estimate, depreciates the solar plant and fire plant under the head "Electrical equipment" over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

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

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

De-recognition

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

Capital work-in-progress

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

b) Investment property

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

The Group depreciates building component of investment property over 60 years from the date of original purchase.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of de-recognition.

c) Intangible assets

Recognition and initial measurement

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

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

Intangible assets are amortised over a period of 3-5 years from the date when the assets are available for use. The estimated useful life (amortisation period) of the intangible assets is arrived basis the expected pattern of consumption of economic benefits and is reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

d) Intangible assets under development

Intangible assets under development represents expenditure incurred in respect of intangible assets under development and are carried at cost. Cost includes development cost, borrowing costs and other direct expenditure necessary to create, produce and prepare the asset to be capable of operating in the manner intended by management. These are recognised as assets when the Group can demonstrate following recognition requirements:

- The development costs can be measured reliably
- The project is technically and commercially feasible
- The Group intends to and has sufficient resources to complete the project
- The Group has the ability to use or sell such intangible asset
- The asset will generate probable future economic benefits.

Amortisation of the asset begins when development is complete and the asset is available for use.

e) Revenue recognition

Interest income on loans

The Group recognises interest income using Effective Interest Rate (EIR) on all financial assets subsequently measured at amortised cost or fair value through other comprehensive income (FVOCI). EIR is calculated by considering any fees and all incremental costs that are directly attributable to acquisition of a financial asset and it represents a rate that exactly discounts estimated future cash payments/receipts through the expected life of the financial asset to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

The Group recognises interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. In case of credit-impaired financial assets regarded as 'Stage 3', the Group recognises interest income on the net amortised cost of financial assets at EIR. If financial asset is no longer credit-impaired Group reverts to calculating interest income on a gross basis.

Additional interest/overdue interest/penal charges are recognised only when it is reasonable certain that the ultimate collection will be made.

Income from assignment transactions

Income from assignment transactions i.e. present value of excess interest spread is recognised when the related loan assets are de-recognised. Interest income is also recognised on carrying value of assets over the remaining period of such assets.

Commission income

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

Dividend income

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

Miscellaneous income

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

f) Borrowing costs

Borrowing cots consists of interest and other cost that the Group incurred in connection with the borrowing of funds. Borrowing costs charged to the Statement of Profit and Loss on the basis of effective interest rate method.

g) Taxation

I. Current tax: Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, in accordance with the Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS) prescribed therein. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current tax relating to items recognised outside profit or loss is recognised in correlation to the underlying transaction either in OCI or directly in other equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

II. Deferred Tax: Deferred tax is provided using the Balance Sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for deductible temporary differences to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets, if any, are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised either in OCI or in other equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority. Tax expense recognised in Statement of Profit and Loss comprises the sum of deferred tax and current tax except to the extent it recognized in other comprehensive income or directly in equity.

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

h) Employee benefits

Short-term employee benefits

Short-term employee benefits including salaries, short term compensated absences (such as a paid annual leave) where the absences are expected to occur within twelve months after the end of the period in which the employees render the related service, profit sharing and bonuses payable within twelve months after the end of the period in which the employees render the related services and non-monetary benefits for current employees are estimated and measured on an undiscounted basis.

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

Defined contribution plans

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

Defined benefit plans

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

Other long-term employee benefits

The Group also provides the benefit of compensated absences to its employees which are in the nature of long-term employee benefit plan. Liability in respect of compensated absences becoming due and expected to availed after 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.

i) Share based payments

The Parent Company has formulated an Employees Stock Option Schemes to be administered through a Trust. The stock options granted to employees pursuant to the Parent Company's Stock Options Schemes, are measured at the fair value of the options at the grant date. The fair value of options granted under Employee Stock Option Plan is recognised as an employee benefits expense with a corresponding increase in other equity. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the Parent Company revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in Statement of Profit and Loss, with a corresponding adjustment to equity.

j) Impairment of non-financial assets

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. Recoverable amount is higher of an asset's net selling price and its value in use. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the reporting date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

Compensation for impairment

Compensation from third parties for items of property, plant and equipment that were impaired, lost or given up are recognized in statement of profit and loss when the compensation becomes receivable.

Financial Guarantees

Financial guarantees are initially recognised at fair value. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

The premium received (if any) is recognised as income on a straight-line basis over the life of the guarantee.

k) Impairment of financial assets

The Group is recording the allowance for expected credit losses for all loans at amortsed cost and FVOCI and other debt financial assets not held at FVTPL

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL). The Group's policies for determining if there has been a significant increase in credit risk.

Loan assets

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

- Stage 1 (1-30 days) includes loan assets that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date.
- Stage 2 (31-90 days) includes loan assets that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment.
- Stage 3 (more than 90 days) includes loan assets that have objective evidence of impairment at the reporting date.

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

Probability of Default (PD) - The PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months (12 months PD), or over the remaining lifetime (Lifetime PD) of the obligation.

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

Exposure at Default (EAD) – EAD is based on the amounts the Group expects to be owed at the time of default.

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

Trade receivables

In respect of trade receivables, the Group applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of trade receivables.

Other financial assets

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

When making this assessment, the Group uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Group compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Group assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

Write-offs

Financial assets are written off either partially or in their entirety to the extent that there is no realistic prospect of recovery. Any subsequent recoveries are credited to impairment on financial instrument on statement of profit and loss.

l) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand (including imprest), demand deposits and short-term highly liquid investments (certificate of deposits and commercial paper) that are readily convertible into known amount of cash and which are subject to an insignificant risk of changes in value. The Group has netted off the balance of bank overdraft with cash and cash equivalents for cash flow statement as they are considered an integral part of the Group's cash management.

m) Equity investment in subsidiaries

Investments representing equity interest in subsidiaries are accounted for at cost in accordance with Ind AS 27 Separate Financial Statements.

n) Provisions, contingent assets and contingent liabilities

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

Contingent liability is disclosed for:

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

Contingent assets are not recognized but disclosed where an inflow of economic benefits is probable.

o) Leases

Group as a lessee

A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Group assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract the Group has the right to direct the use of the identified asset throughout the period of use.

The Group assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

At lease commencement date, the Group recognizes a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term.

Determining the lease term of contracts with renewal and termination options where Group is lessee - The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination.

Group as lessor:

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income.

Classification of leases – The Group enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

p) Financial instruments

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition and measurement

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

Non-derivative financial assets

Subsequent measurement

i. **Financial assets carried at amortized cost –** a financial asset is measured at the amortized 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 amortized cost using the effective interest rate (EIR) method. Amortized 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 amortization is included in interest income in the Statement of Profit and Loss.

ii. **Financial assets are measured at FVOCI when both of the following conditions are met: –** a financial asset is measured at the FVOCI if both the following conditions are met:

- The instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets
- The contractual terms of the financial asset meet the SPPI test

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognized in OCI. Interest income are recognized in profit or loss in the same manner as for financial assets measured at amortized cost.

Investment in security receipts issued by trust floated by asset reconstruction companies are accounted for at fair value through other comprehensive income (FVOCI).

iii. **Investments in equity instruments –** Investments in equity instruments which are held for trading are classified as at fair value through profit or loss (FVTPL). For all other equity instruments, the Group makes an irrevocable choice upon initial recognition, on an instrument by instrument basis, to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL). Amounts presented in other comprehensive income are not subsequently transferred to profit or loss. However, the Group transfers the cumulative gain or loss within equity. Dividends on such investments are recognized in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

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

v. **Financial assets measured at FVPL –** FVPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL, with all changes recognized in the P&L.

De-recognition of financial assets

Financial assets (or where applicable, a part of financial asset or part of a group of similar financial assets) are de-recognized (i.e. removed from the Group's balance sheet) when the contractual rights to receive the cash flows from the financial asset have expired, or when the financial asset and substantially all the risks and rewards are transferred. Further, if the Group has not retained control, it shall also de-recognize the financial asset and recognize 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 amortized cost using the effective interest method.

De-recognition of financial liabilities

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

First loss default guarantee

First loss default guarantee contracts are contracts that require the Group to make specified payments to reimburse the bank for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a agreement. Such financial guarantees are given to bank, for whom the Group acts as 'Business Correspondent'.

These contracts are initially measured at fair value and subsequently measure at higher of:

- The amount of loss allowance (calculated as described in policy for impairment of financial assets)
- Maximum amount payable as on the reporting date to the bank which is based on the amount of loans overdue for more than 75 days in respect to agreements with banks.

Further, the maximum liability is restricted to the cash outflow agreed in the agreement.

Compound financial instruments

Optionally convertible instruments are separated into liability and equity components based on the terms of the contract. On issuance of the said instruments, the liability component is arrived by discounting the gross sum (including redemption premium, if any) at a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortized cost until it is extinguished on conversion or redemption. The remainder of the proceeds is recognized as equity component of compound financial instrument. This is recognized and included in shareholders' equity, net of income tax effects, and not subsequently re-measured.

Offsetting of financial instruments

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

Derivative contracts

The Group enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit and loss using mark to market information.

Hedge Accounting

The Group makes use of derivative instruments to manage exposures to interest rate and foreign currency.

In order to manage particular risks, the Group applies hedge accounting for transactions that meet specified criteria.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Group's risk management objective and strategy for undertaking hedge, the hedging / economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the Group would assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an on-going basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the criteria for hedge accounting are accounted for, as described below:

Cash Flow Hedges

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognized asset or liability (such as all or some future interest payments on variable rate debt) or a highly probable forecast transaction and could affect profit or loss.

For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognized directly in OCI within equity (cash flow hedge reserve). The ineffective portion of the gain or loss on the hedging instrument is recognized immediately as Finance Cost in the statement of profit and loss.

When the hedged cash flow affects the statement of profit and loss, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the statement of profit and loss.

When a hedging instrument expires, is sold, terminated, exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss that has been recognized in OCI at that time remains in OCI and is recognized when the hedged forecast transaction is ultimately recognized in the statement of profit and loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in OCI is immediately transferred to the statement of profit and loss.

Fair value measurement

The Group measures financial instruments at fair value at each balance sheet date using valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

a) In the principal market for the asset or liability, or

b) In the absence of a principal market, in the most advantageous market for the asset or liability.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured are categorized with fair value hierarchy into Level I, Level II and Level III based on level of input.

q) Earnings per share

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

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

r) Segment reporting

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

s) Foreign currency

Functional and presentation currency

Items included in the financial statement of the Group are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements have been prepared and presented in Indian Rupees (₹), which is the Group's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency, by applying the exchange rates on the foreign currency amounts at the date of the transaction. Foreign currency monetary items outstanding at the balance sheet date are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the Statement of Profit and Loss in the year in which they arise.

t) Government grants

Grants and subsidies from the government are recognized when there is reasonable assurance that (i) the Group will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

Grant or subsidy relates to revenue, it is recognized as income on a systematic basis in profit or loss over the periods necessary to match them with the related costs, which they are intended to compensate.

u) **Significant management judgement in applying accounting policies and estimation uncertainty**

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

Significant management judgements

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

Business model assessment - The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortized cost that are derecognized prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group 's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and accordingly prospective change to the classification of those assets are made.

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

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

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

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

Significant estimates

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

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

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

v) **Statement of Cash Flows**

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method adjusting the net profit for the effects of:

I. Changes during the period in operating receivables and payables transactions of a non-cash nature;

II. Non-cash items such as depreciation, provisions, deferred taxes, unrealized foreign currency gains and losses; and

III. All other items for which the cash effects are investing or financing cash flows.

(All amounts in INR lakhs, unless otherwise stated)

4. CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2022	As at March 31, 2021
Cash on hand	5,378.53	5,004.71
Balances with banks and financial institutions		
- Balance with banks in current accounts*	73,467.80	56,503.50
- Deposits for original maturity of less than 3 months	29,888.35	53,852.06
- Balance with banks and financial institutions to the extent held as margin money deposits against borrowings and guarantees	391.80	1,043.08
Total	**1,09,126.48**	**1,16,403.35**

*Balance in current accounts includes balance of INR 1.66 lakhs (March 31, 2021 : Nil) which is earmarked for unpaid dividend.

5. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2022	As at March 31, 2021
Deposits for remaining maturity of more than 3 months and upto 12 months	4,128.44	8,770.88
Balance with banks and financial institutions to the extent held as margin money deposits against borrowings and guarantees	86,939.44	70,658.31
Total	**91,067.88**	**79,429.19**

The amount under lien as security against term loan and overdraft facility availed, assets securitized, first loss default guarantee are as follows (included above in note 4 and 5):-

Particulars	As at March 31, 2022	As at March 31, 2021
Term loans	33,468.09	25,043.62
Overdraft facilities	40,402.43	38,434.12
Securitizations	6,796.83	748.16
Derivatives	597.68	564.77
Bank guarantee against rights issue	64.63	61.98
Security against first loss default guarantee	5,999.13	6,846.35
Security against facilities	2.45	2.39
Total	**87,331.24**	**71,701.39**

6. DERIVATIVE FINANCIAL INSTRUMENTS

Particulars	As at March 31, 2022		As at March 31, 2021	
	Notional amounts (INR)	Fair value (INR)	Notional amounts (INR)	Fair value (INR)
Currency and interest swap	31,161.35	1,192.75	27,089.80	34.13
	31,161.35	**1,192.75**	**27,089.80**	**34.13**
Included in above are derivative held for risk management purpose as follows:				
Derivative designated as hedge:				
Cash flow hedge:				
Currency and interest swap				
Undesignated derivatives	31,161.35	1,192.75	27,089.80	34.13
Total of derivative financial instruments	**31,161.35**	**1,192.75**	**27,089.80**	**34.13**

The Parent Company enters into derivative contracts for risk management purposes.

The table above represents the fair value of derivatives financial instruments recorded as assets together with the notional amounts.

The notional amounts indicates the value of transaction outstanding at the year end and are not indicative of either the market risk or credit risk.

The Parent Company is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are foreign currency risk and interest rate risk. The Parent Company's risk management strategy and how it is applied to manage risk are explained below:

(All amounts in INR lakhs, unless otherwise stated)

Derivatives designated as hedging instruments

Foreign currency risk

The Parent Company is exposed to foreign currency risk arising from its fixed rate foreign currency borrowing amounting to USD 9.4 million. Interest on the borrowing is payable at a fixed rate of 5.93% per annum. (on semi-annual basis starting from February 5, 2020) and the principal amount is repayable on August 5, 2022. The Parent Company economically hedged the foreign currency risk arising from the debt with a 'receive fixed pay fixed' cross-currency interest rate swap ('swap') on July 24, 2019. The notional amount of swap is INR 6,487.41 lakhs. The swap contract converts the cash outflows of the foreign currency fixed rate borrowing of USD 9.4 million to cash outflows in INR with a notional amount of INR 6,487.41lakhs and fixed interest of 11.18% per annum.

Off-setting

The Parent Company does not have derivative financial assets and financial liabilities which are subject to master netting arrangements. Master netting arrangements are those arrangements wherein in the case of insolvency, derivative financial assets and financial liabilities will be settled on a net basis.

7. TRADE RECEIVABLES (AT AMORTISED COST)

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured		
Considered good - unsecured	285.63	1,945.52
	285.63	**1,945.52**
Less: Impairment loss allowance	(9.55)	-
Total	**276.08**	**1,945.52**

Trade Receivables ageing schedule

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables – considered good	266.12	4.61	3.19	0.84	1.95	276.71
(ii) Undisputed trade Receivables – credit impaired	-	1.99	2.67	4.26	-	8.92
(iii) Disputed trade receivables – considered good	-	-	-	-	-	-
(iv) Disputed trade receivables – credit impaired	-	-	-	-	-	-
As at March 31, 2022	**266.12**	**6.60**	**5.86**	**5.10**	**1.95**	**285.63**
(i) Undisputed trade receivables – considered good	1,892.41	27.52	23.64	1.95	-	1,945.52
(ii) Undisputed trade Receivables – credit impaired	-	-	-	-	-	-
(iii) Disputed trade receivables – considered good	-	-	-	-	-	-
(iv) Disputed trade receivables – credit impaired	-	-	-	-	-	-
As at March 31, 2021	**1,892.41**	**27.52**	**23.64**	**1.95**	**-**	**1,945.52**

The Group does not have any receivables which are either credit impaired or where there is significant increase in credit risk other than those which are provided for.

(All amounts in INR lakhs, unless otherwise stated)

8. LOANS

Particulars	As at March 31, 2022		As at March 31, 2021	
	At fair value through other comprehensive income	At amortized cost	At fair value through other comprehensive income	At amortized cost
Portfolio loans	3,88,533.16	97,156.60	5,05,504.25	41,891.98
Housing and other loans	28,969.72	16,182.79	-	33,719.37
	4,17,502.88	**1,13,339.39**	**5,05,504.25**	**75,611.35**
Portfolio loans				
Secured	-	4,017.13	-	16,950.41
Unsecured*	3,88,533.16	93,139.47	5,05,504.25	24,941.57
Housing and other loans				
Secured	28,969.72	10,693.06	-	28,470.32
Unsecured	-	5,489.73	-	5,249.05
	4,17,502.88	**1,13,339.39**	**5,05,504.25**	**75,611.35**
Total loans		**5,30,842.27**		**5,81,115.60**

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Secured by property, plant and equipment including land and building	41,946.63	44,257.23
(ii) Secured by book debts, inventories, margin money and other working capital items	1,733.28	1,163.50
(iii) Unsecured	4,87,162.36	5,35,694.87
Total	**5,30,842.27**	**5,81,115.60**
Loans in India		
(i) Public sector	-	-
(ii) Others	5,30,842.27	5,81,115.60
Total	**5,30,842.27**	**5,81,115.60**

*Unsecured portfolio measured at amortized cost of INR 5,314.81 lakhs (balance as on February 28, 2022 i.e. cut off date) sold to an asset reconstruction company at a value of INR 5,300 lakhs on March 28, 2022. Loss on such sale is netted off from net gain as disclosed in Note 33. There are recoveries subsequent to sale on such portfolio and balance outstanding as on March 31, 2022 is INR 5,254.77 lakhs.

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

(All amounts in INR lakhs, unless otherwise stated)

9. INVESTMENTS

Particulars	As at March 31, 2022				As at March 31, 2021		
	Amortised cost	At fair value		Total	At fair value value		Total
		Through other comprehensive income	Through profit and loss		Through other comprehensive income	Through profit and loss	
Equity instruments							
50,000 (March 31, 2021 : 50,000) equity shares of face value of INR 10 each of Alpha Micro Finance Consultants Private Limited#		-	-	-			
Preferential instruments							
21,845 (March 31, 2021 : Nil) Compulsory Convertible Preference Shares of face value of INR 10 each of Jay Kay Financial Technologies Private Limited	110.00			110.00	-	-	-
Security Receipts							
4,50,500 (March 31, 2021 : Nil) security receipts in Prudent Trust 67/22 (Trust floated by Prudent ARC Limited)		4,505.00	-	4,505.00	-	-	-
Pass through certificates (unquoted)	181.87			181.87			
Mutual funds							
294,091.70 (March 31, 2021 : 294,091.70) units in Union Dynamic Bond Fund	-	-	59.24	59.24	-	57.55	57.55
Government securities	-	-					
500 (March 31, 2021 : 500), Government of India, Inscribed stock having face value INR 100 each	-		0.51	0.51	-	0.51	0.51
Total	**291.87**	**4,505.00**	**59.75**	**4,856.62**	**-**	**58.06**	**58.06**
Investments in India	291.87	4,505.00	59.75	4,856.62	-	58.06	58.06
Investments outside India	-	-	-	-	-	-	-
Total	**291.87**	**4,505.00**	**59.75**	**4,856.62**	**-**	**58.06**	**58.06**

Investment designated at fair value through profit and loss includes commercial papers. The Group has not entered in to any credit derivative to mitigate the credit risk (if any).

#Investment had been written off in the financial year 2018-19 and therefore shown at zero value.

10. OTHER FINANCIAL ASSETS

Particulars	As at March 31, 2022	As at March 31, 2021
Security deposits	356.53	406.30
Staff advances	79.67	206.93
Insurance recoverable	490.61	738.53
Other recoverable	1,363.87	2,033.18
Unbilled revenue	606.60	610.97
	2,907.03	**3,995.91**
Less: Impairment loss allowance	(4.14)	(6.43)
Total	**2,902.89**	**3,989.48**

11. CURRENT TAX ASSETS (NET)

Particulars	As at March 31, 2022	As at March 31, 2021
Advance income - tax (net)	526.10	-
Total	**526.10**	**-**

(All amounts in INR lakhs, unless otherwise stated)

12. DEFERRED TAX ASSETS/(LIABILITIES) (NET)

Particulars	As at March 31, 2022	As at March 31, 2021
(A) Deferred tax assets		
Provision for employee benefits	247.53	379.17
Difference in written down value as per Companies Act and Income Tax Act	234.50	243.78
Unabsorbed business losses and depreciation	737.82	26.08
Financial assets measured at amortised cost	-	24.12
Impairment loss allowance	9,696.32	8,153.72
Minimum alternate tax credit entitlement	124.88	130.49
Liability against leases	131.05	166.04
Others	0.45	22.85
	11,172.55	**9,146.25**
(B) Deferred tax liabilities		
Financial Liabilities measured at amortised cost	8.35	23.40
Financial Assets measured at amortised cost	295.33	-
Fair valuation of loan assets through other comprehensive income	323.31	1,309.21
Special reserve u/s 36 (i) (viii) under Income Tax Act	29.68	15.06
Right of use assets	107.31	146.35
Deferment of excess interest spread	2,154.91	2,433.45
Total deferred tax liabilities	**2,918.89**	**3,927.47**
Net deferred tax assets/(liabilities)	**8,253.66**	**5,218.78**

(i) Movement in deferred tax assets / (liabilities) (net)

Particulars	As at March 31, 2021	(Charged)/ credited to statement of profit and loss	(Charged)/ credited to other comprehensive income	As at March 31, 2022
Assets				
Provision for employee benefits	379.17	(126.53)	(5.11)	247.53
Difference in written down value as per Companies Act and Income Tax Act	243.78	(9.28)	-	234.50
Unabsorbed business losses and depreciation	26.08	711.74	-	737.82
Financial assets measured at amortised cost	24.12	(24.12)	-	-
Impairment loss allowance and first loss default guarantee	8,153.72	1,542.60	-	9,696.32
Minimum alternate tax credit entitlement*	130.49	(5.61)	-	124.88
Liability against leases	166.04	(34.98)	-	131.05
Others	22.85	(22.40)	-	0.45
Liabilities				
Difference in written down value as per Companies Act and Income Tax Act	-	295.33	-	295.33
Financial liabilities measured at amortised cost	23.40	(15.06)	-	8.35
Fair valuation of loan assets through other comprehensive income	1,309.21	(0.62)	(985.28)	323.31
Special reserve u/s 36 (i) (viii) under Income Tax Act	15.06	14.62	-	29.68
Right of use assets	146.35	(39.04)	-	107.31
Deferment of excess interest spread	2,433.45	(278.54)	-	2,154.91
Total	**5,218.78**	**2,054.73**	**980.17**	**8,253.66**

(All amounts in INR lakhs, unless otherwise stated)

Particulars	As at April 1, 2020	(Charged)/ credited to statement of profit and loss	(Charged)/ credited to other comprehensive income	As at March 31, 2021
Assets				
Provision for employee benefits	282.70	67.63	28.84	379.17
Difference in written down value as per Companies Act and Income Tax Act	260.86	(17.08)	-	243.78
Unabsorbed business losses and depreciation	28.73	(2.65)	-	26.08
Financial assets measured at amortized cost	8.26	15.86	-	24.12
Impairment loss allowance and first loss default guarantee	4,370.48	3,783.24	-	8,153.72
Minimum alternate tax credit entitlement	88.22	42.27	-	130.49
Liability against leases	226.62	(60.58)	-	166.04
Others	2.30	20.55	-	22.85
Liabilities				
Financial liabilities measured at amortized cost	39.38	(15.98)	-	23.40
Fair valuation of financial instruments through profit and loss	2.70	(2.70)	-	-
Fair valuation of loan assets through other comprehensive income	2,439.19	0.01	(1,129.99)	1,309.21
Cash flow hedge reserve	23.50	(6.92)	(16.58)	-
Special reserve u/s 36 (i) (viii) under Income Tax Act	-	15.06	-	15.06
Right of use assets	213.88	(67.53)	-	146.35
Deferment of excess interest spread	3,277.42	(843.97)	-	2,433.45
Total	**(727.90)**	**4,771.27**	**1,175.41**	**5,218.78**

* Minimum alternate tax credit pertains to financial year ended March 31, 2021 having expiry financial year ended March 31, 2034.

13. INVESTMENT PROPERTY

Particulars	As at March 31, 2022	As at March 31, 2021
A. Reconciliation of carrying amount (Cost or deemed cost)		
Opening balance	729.24	-
Additions during the year	40.28	729.24
Total	**769.52**	**729.24**
Accumulated depreciation		
Opening balance	35.51	-
Additions during the year	35.75	35.51
Total	**71.26**	**35.51**
Carrying amounts (Balance at date)	**698.26**	**693.73**
B. Amounts recognized in Statement of profit and loss for investment property		
Rental income	24.60	17.10
Less: Depreciation expense	35.75	35.51
Loss from investment property	**(11.15)**	**(18.41)**
C. Measurement of fair value		
Investment property	789.06	789.06
	789.06	**789.06**

The Parent Company's investment properties consist of two residential properties in India. The fair values of the properties are INR 789.06 lakhs. These valuations are based on valuations performed by an independent valuer, the valuer is a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017. Valuation techniques used by the valuer is fair market value.

The Parent Company has no restrictions on the realizability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

(All amounts in INR lakhs, unless otherwise stated)

14. PROPERTY, PLANT AND EQUIPMENT

Gross Block	Freehold land	Buildings	Right of use	Computer equipment	Electric equipment	Office equipment	Furniture & fixtures	Vehicles (refer note (ii))	Total	Capital work in progress
Balance as at April 1, 2020	**1,518.37**	**1,587.32**	**1,596.08**	**2,926.94**	**-**	**743.78**	**1,541.04**	**218.50**	**10,132.03**	**3,413.64**
Property, plant and equipment reclassified to Investment Property	-	(818.56)	-	-	-	-	-	-	(818.56)	-
Additions	-	3,162.77	213.56	522.79	817.30	159.27	433.69	52.73	5,362.11	1,536.38
Disposals	-	-	(157.90)	(78.80)	-	(54.42)	(2.80)	(29.96)	(323.88)	(4,585.06)
Balance as at March 31, 2021	**1,518.37**	**3,931.53**	**1,651.74**	**3,370.93**	**817.30**	**848.63**	**1,971.93**	**241.27**	**14,351.70**	**364.96**
Additions	-	566.80	137.59	211.57	-	68.53	59.50	100.17	1,144.16	219.73
Disposals	-	-	(30.19)	(559.98)	-	(116.73)	(179.38)	(63.50)	(949.78)	(566.80)
Balance as at March 31, 2022	**1,518.37**	**4,498.33**	**1,759.14**	**3,022.52**	**817.30**	**800.43**	**1,852.05**	**277.94**	**14,546.08**	**17.89**
Accumulated depreciation										
Balance as at April 1, 2020	**-**	**417.19**	**563.67**	**2,082.46**	**-**	**509.90**	**814.65**	**125.33**	**4,513.21**	**-**
Accumulated depreciation transfer to investment property	-	(89.32)	-	-	-	-	-	-	(89.32)	-
Depreciation charge for the year	-	49.72	401.38	569.65	29.62	118.84	210.56	32.92	1,412.69	-
Adjustment on account of disposals	-	-	(98.76)	(69.50)	-	(47.51)	(2.08)	(18.74)	(236.59)	-
Balance as at March 31, 2021	**-**	**377.59**	**866.29**	**2,582.61**	**29.62**	**581.23**	**1,023.13**	**139.51**	**5,599.99**	**-**
Depreciation charge for the year	-	175.86	289.72	459.12	144.69	131.06	249.96	43.12	1,493.54	-
Adjustment on account of disposals	-	-	(16.53)	(517.08)	-	(108.84)	(144.69)	(42.49)	(829.63)	-
Balance as at March 31, 2022	**-**	**553.45**	**1,139.48**	**2,524.65**	**174.31**	**603.45**	**1,128.40**	**140.14**	**6,263.90**	**-**
Net block										
Balance as at March 31, 2021	**1,518.37**	**3,553.94**	**785.44**	**788.32**	**787.68**	**267.40**	**948.80**	**101.76**	**8,751.71**	**364.96**
Balance as at March 31, 2022	**1,518.37**	**3,944.88**	**619.65**	**497.87**	**642.99**	**196.98**	**723.65**	**137.80**	**8,282.18**	**17.89**

Notes:

(i) For disclosure of contractual commitments to be executed on capital account, refer note 52.

(ii) Vehicles are taken on finance lease; monthly instalments are paid as per agreed terms and conditions.

(iii) Property, plant and equipment have been mortgaged/pledged as security for borrowings, refer note 52A.

(iv) Capital work in progress ageing schedule

Capital Work in Progress	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress					
As at March 31, 2022	17.89	-	-	-	17.89
As at March 31, 2021	364.96	-	-	-	364.96

(All amounts in INR lakhs, unless otherwise stated)

15. OTHER INTANGIBLE ASSETS

Gross Block	Intangible assets	Total
Balance as at April 1, 2020	**1,290.98**	**1,290.98**
- Additions – being internally developed	**-**	**-**
- Additions – others	0.24	0.24
Balance as at March 31, 2021	**1,291.23**	**1,291.23**
Additions		
- Additions – being internally developed	-	-
- Additions – others	-	-
Disposals	-	-
Balance as at March 31, 2022	**1,291.23**	**1,291.23**
Accumulated amortization		
Balance as at April 1, 2020	**885.37**	**885.37**
Amortization charge for the year	94.95	94.95
Adjustment on account of disposal	-	-
Balance as at March 31, 2021	**980.32**	**980.32**
Amortization charge for the year	80.51	80.51
Adjustment on account of disposal		-
Balance as at March 31, 2022	**1,060.83**	**1,060.83**
Net block		
Balance as at March 31, 2021	**310.91**	**310.91**
Balance as at March 31, 2022	**230.40**	**230.40**

16. OTHER NON-FINANCIAL ASSETS

Particulars	As at March 31, 2022	As at March 31, 2021
Prepaid expenses	1,251.24	1,059.74
Balances with government authorities	212.88	159.71
Capital advance	-	66.72
Gratuity fund asset (refer note 48)	-	68.19
Other assets	2,418.82	1,430.63
Total	**3,882.94**	**2,784.99**

17. TRADE PAYABLES

Particulars	As at March 31, 2022	As at March 31, 2021
Total outstanding dues of micro enterprises and small enterprises	10.42	10.84
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,268.06	1,130.83
Total	**1,278.48**	**1,141.67**

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	10.42	-	-	-	10.42
(ii) Others	1,238.35	20.92	8.79	-	1,268.06
(iii) Disputed dues – MSME	-	-	-	-	-
(iv)Disputed dues - Others	-	-	-	-	-
As at March 31, 2022	**1,248.77**	**20.92**	**8.79**	**-**	**1,278.48**

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	10.84	-	-	-	10.84
(ii) Others	1,117.17	9.58	4.08	-	1,130.83
(iii) Disputed dues – MSME	-	-	-	-	-
(iv)Disputed dues - Others	-	-	-	-	-
As at March 31, 2021	**1,128.01**	**9.58**	**4.08**	**-**	**1,141.67**

18. OTHER PAYABLES

Particulars	As at March 31, 2022	As at March 31, 2021
Total outstanding dues of micro enterprises and small enterprises	172.02	223.90
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,520.19	1,998.00
Total	**1,692.21**	**2,221.90**

19. DEBT SECURITIES (AT AMORTIZED COST)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-convertible debentures	1,19,241.39	1,71,003.09
Total	**1,19,241.39**	**1,71,003.09**
Debt securities in India	1,19,241.39	1,71,003.09
Debt securities outside India	-	-
Total	**1,19,241.39**	**1,71,003.09**

(A) Non-convertible debentures (secured)

	Particulars	Terms of repayment	As at March 31, 2022	As at March 31, 2021
1	373 (March 31, 2021: Nil), @11.5000% (Previous year: Nil), Secured, Rated, Listed, Redeemable, Transferable, Non-Convertible Debentures of face value of INR 10,00,000 each (March 31, 2021: INR Nil). The date of allotment is September 2, 2021. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding and interest accrued.)	Redeemable at par on September 2, 2026 and frequency of Interest payment is half yearly.	3,730.00	-
2	300 (March 31, 2021: Nil), @11.7702% (Previous year: Nil), Secured, Rated, Listed, Redeemable, Transferable, Non-Convertible Debentures of face value of INR 10,00,000 each (March 31, 2021: INR Nil). The date of allotment is March 30, 2022. (Secured by way of hypothecation of book debt which shall be maintained at 105% of principal amount of the debentures outstanding and interest accrued.)	Redeemable at par on March 30, 2026 and frequency of Interest payment is half yearly.	3,000.00	-
3	750 (March 31, 2021: Nil), @11.7702% (Previous year: Nil), Secured, Rated, Listed, Redeemable, Transferable, Non-Convertible Debentures of face value of INR 10,00,000 each (March 31, 2021: INR Nil). The date of allotment is March 7, 2022. (Secured by way of hypothecation of book debt which shall be maintained at 105% of principal amount of the debentures outstanding and interest accrued.)	Redeemable at par on March 6, 2026 and frequency of Interest payment is half yearly.	7,500.00	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts in INR lakhs, unless otherwise stated)

Non-convertible debentures (secured) (Contd.)

	Particulars		As at March 31, 2022	As at March 31, 2021
4	2,130 (March 31, 2021: 2,130), @11.095% (Previous year : 11.095%), Secured, Not Guaranteed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Non-Convertible Debentures of face value of INR 5,71,428.58 each (March 31, 2021: INR 8,57,142.72 each). The date of allotment is December 14, 2018. (Secured by way of hypothecation of book debts which shall be maintained at 100% of principal amount and coupon of the debentures outstanding.)	Redeemable on December 14, 2023 and frequency of Interest payment is half yearly.	12,171.43	18,257.14
5	1200 (March 31, 2021: 1200), @11.45% (Previous year: 11.45%), Secured, Not Guaranteed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Non-Convertible Debentures of face value of INR 7,50,000 each (March 31, 2021: INR 10,00,000 each). The date of allotment is September 27, 2019. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding.)	Redeemable at par on September 27, 2023 and frequency of Interest payment is half yearly.	9,000.00	12,000.00
6	970 (March 31, 2021: 970), @11.4000% (Previous year : 11.6757%), Secured, Rated, Listed, Redeemable, Non-Convertible Debentures of face value of INR 10,00,000 each (March 31, 2021: INR 10,00,000 each). The date of allotment is July 31, 2018 and roll over date is July 27, 2021. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding.)	Redeemable on July 31, 2023 and frequency of Interest payment is half yearly.	9,700.00	9,700.00
7	250 (March 31, 2021: 250) @10.95% (Previous year: 10.95%), Secured, Not Guaranteed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Non-Convertible Debentures of face value of INR 6,66,667 each (March 31, 2021: INR 10,00,000 each). The date of allotment is July 31, 2020. (Secured by way of hypothecation of book debt which shall be maintained at 110% of principal amount of the debentures outstanding.)	Redeemable at par on July 31, 2023 and frequency of Interest payment is half yearly.	1,666.67	2,500.00
8	250 (March 31, 2021: 250) @11.00% (Previous year: 11.00%), Secured, Not Guaranteed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Non-Convertible Debentures of face value of INR 10,00,000 each (March 31, 2021: INR 10,00,000 each). The date of allotment is July 28, 2020. (Secured by way of hypothecation of book debt which shall be maintained at 110% of principal amount of the debentures outstanding and interest accrued.)	Redeemable at par on July 28, 2023 and frequency of Interest payment is quarterly.	2,500.00	2,500.00
9	50 (March 31, 2021: 50), @14.50% (Previous year : 14.50%), rated, unlisted, fully paid up, senior, secured, redeemable, taxable, non-convertible debentures of face value of INR 1,0,00,000 each, The date of allotment is June, 29, 2020. (Secured by way of hypothecation of first ranking, exclusive and continuing charge on book debt which shall be maintained at 110% of principal including interest accrued amount of the debentures outstanding.)	Redeemable at par on June 29, 2023	500.00	500.00
10	200 (March 31, 2021: 200), @12.75% (Previous year : 12.75%), Secured, Rated, Listed, Redeemable, Transferable, Non-Convertible Debentures of face value of INR 25,00,000 each (March 31, 2021: INR 25,00,000 each). The date of allotment is July 15, 2014 and roll over date is July 15, 2020. (Secured by way of hypothecation of book debts which shall be maintained at 110% of principal amount of the debentures outstanding.)	Redeemable at par on June 30, 2023 and frequency of Interest payment is half yearly.	5,000.00	5,000.00

(All amounts in INR lakhs, unless otherwise stated)

Non-convertible debentures (secured) (Contd.)

	Particulars		As at March 31, 2022	As at March 31, 2021
11	250 (March 31, 2021: 250) @11.25% (Previous year: 11.25%), Secured, Not Guaranteed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Non-Convertible Debentures of face value of INR 10,00,000 each (March 31, 2021: INR 10,00,000 each). The date of allotment is June 30, 2020. (Secured by way of hypothecation of book debt which shall be maintained at 110% of principal amount of the debentures outstanding.)	Redeemable at par on June 30, 2023 and frequency of Interest payment is annually.	2,500.00	2,500.00
12	18,750 (March 31, 2021: 18,750) @11.10% (Previous year: 11.10%), Secured, Not Guaranteed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Non-Convertible Debentures of face value of INR 1,00,000 each (March 31, 2021: INR 1,00,000 each). The date of allotment is December 22, 2020. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding.)	Redeemable INR 18,748.13 lakhs (99.99%) on June 05, 2023 and rest INR 1.87 lakhs (.01%) on June 05, 2025 and frequency of Interest payment is half yearly.	18,750.00	18,750.00
13	600 (March 31, 2021: 600) @11.50% (Previous year: 11.50%), Secured, Not Guaranteed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Non-Convertible Debentures of face value of INR 10,00,000 each (March 31, 2021: INR 10,00,000 each). The date of allotment is October 23, 2020. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding with exclusivity on security interest.)	Redeemable INR 1,500 lakhs (25%) on April 24, 2023, INR 1,500 lakhs (25%) on October 24, 2023 rest INR 3,000 lakhs (50%) on 23 April, 2024 and frequency of Interest payment is half yearly.	6,000.00	6,000.00
14	650 (March 31, 2021: 650), @12.06% (Previous year : 12.06%), Secured, Not Guaranteed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Non-Convertible Debentures of face value of INR 10,00,000 each (March 31, 2021: INR 10,00,000 each). The date of allotment is October 3, 2017. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding.)	Redeemable on October 3, 2022 and frequency of Interest payment is half yearly.	6,500.00	6,500.00
15	1,500 (March 31, 2021: 1500) @10.30% (Previous year: 10.30%), Secured, Partially Guaranteed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Non-Convertible Debentures of face value of INR 2,50,000 each (March 31, 2021: INR 10,00,000 each). The date of allotment is December 31, 2020. (Secured by way of hypothecation of book debt which shall be maintained at 110% of entire redemption amount of the debentures outstanding.)	Redeemable INR 3,750 lakhs on October 02, 2021, INR 3,750 lakhs on December 31, 2021, INR 3,750 lakhs March 31, 2022 and INR 3,750 lakhs on June 30, 2022 and frequency of Interest payment is quarterly.	3,750.00	15,000.00

(All amounts in INR lakhs, unless otherwise stated)

Non-convertible debentures (secured) (Contd.)

	Particulars		As at March 31, 2022	As at March 31, 2021
16	680 (March 31, 2021: 680), @11.70% (Previous year : 11.70%), Secured, Rated, Listed, Redeemable, Non-Convertible Debentures of face value of INR 10,00,000 each (March 31, 2021: INR 10,00,000 each). The date of allotment is June 15, 2016. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding.)	Redeemable at par on June 15,2022 (in case second put/call option is exercised, otherwise if put/call option not exercised then redeemable at par on June 15, 2025) and frequency of Interest payment is half yearly.	6,800.00	6,800.00
17	500 (March 31, 2021: 500) @10.20% (Previous year: 10.20%), Secured, Guaranteed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Non-Convertible Debentures of face value of INR 10,00,000 each (March 31, 2021: INR 10,00,000 each). The date of allotment is December 10, 2020. (Secured by way of hypothecation of book debt which shall be maintained at 125% of principal amount of the debentures outstanding.)	Redeemable at par on June 10, 2022 and frequency of Interest payment is annually.	5,000.00	5,000.00
18	250 (March 31, 2021: 250) @10.40% (Previous year: 10.40%), Secured, Partially Guaranteed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Non-Convertible Debentures of face value of INR 10,00,000 each (March 31, 2021: INR 10,00,000 each). The date of allotment is November 9, 2020. (Secured by way of hypothecation of book debt which shall be maintained at 110% of principal amount of the debentures outstanding.)	Redeemable at par on May 9, 2022 and frequency of Interest payment is annually.	2,500.00	2,500.00
19	9750 (March 31, 2021: 9750) @10.50% (Previous year: 10.50%), Secured, Not Guaranteed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Non-Convertible Debentures of face value of INR 50,000 each (March 31, 2021: INR 50,000 each) The date of allotment is December 16, 2020. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding.)	Redeemable at par INR 4,874.51 lakhs (99.99%) on May 6, 2022 and rest INR 0.49 lakhs (.01%) on May 6, 2024 and frequency of Interest payment is half yearly.	4,875.00	4,875.00
20	250 (March 31, 2021: 250) @10.25% (Previous year: 10.25%), Secured, Senior, Rated, Listed, Fully paid-up, Redeemable, Taxable, Transferable, Non-Convertible Debentures of face value of INR 10,00,000 each (March 31, 2021: INR 10,00,000 each). The date of allotment is October 13, 2020. (Secured by way of hypothecation of book debt which shall be maintained at 110% of principal amount of the debentures outstanding.)	Redeemable at par on April 13, 2022 and frequency of Interest payment is half yearly.	2,500.00	2,500.00
21	Nil (March 31, 2021: 1750) @Nil (Previous year: 10.40%), Secured, Partially Guaranteed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Non-Convertible Debentures of face value of INR Nil (March 31, 2021: INR 10,00,000 each). The date of allotment is September 30, 2020. (Secured by way of hypothecation of book debt which shall be maintained at 110% of principal amount of the debentures outstanding.)	Redeemable at par on March 30, 2022 and frequency of Interest payment is annually.	-	17,500.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts in INR lakhs, unless otherwise stated)

Non-convertible debentures (secured) (Contd.)

	Particulars		As at March 31, 2022	As at March 31, 2021
22	Nil (March 31, 2021: 500) @Nil (Previous year: 10.25%), Secured, Partially Guaranteed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Non-Convertible Debentures of face value of INR Nil (March 31, 2021: INR 10,00,000 each). The date of allotment is September 15, 2020. (Secured by way of hypothecation of book debt which shall be maintained at 115% of principal amount of the debentures outstanding.)	Redeemable at par on March 15, 2022 and frequency of Interest payment is half yearly.	-	5,000.00
23	Nil (March 31, 2021: 500) @Nil (Previous year: 10.20 %), Secured, Senior, Rated, Listed, Fully paid-up, Redeemable, Taxable, Transferable, Non-Convertible Debentures of face value of INR Nil (March 31, 2021: INR 10,00,000 each). The date of allotment is August 31, 2020. (Secured by way of hypothecation of book debt which shall be maintained at 125% of principal amount of the debentures outstanding.)	Redeemable at par on February 28, 2022 and frequency of Interest payment is half yearly.	-	5,000.00
24	Nil (March 31, 2021: 1000) @Nil (Previous year: 10.25%), Secured, Partially Guaranteed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Non-Convertible Debentures of face value of INR Nil (March 31, 2021: INR 10,00,000 each). The date of allotment is August 24, 2020. (Secured by way of hypothecation of book debt which shall be maintained at 115% of principal amount of the debentures outstanding.)	Redeemable at par on February 24, 2022 and frequency of Interest payment is half yearly.	-	10,000.00
25	Nil (March 31, 2021: 500) @Nil (Previous year: 10.25%), Secured, Not Guaranteed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Non-Convertible Debentures of face value of INR Nil (March 31, 2021: INR 10,00,000 each) .The date of allotment is August 18, 2020. (Secured by way of hypothecation of book debt which shall be maintained at 110% of principal amount of the debentures outstanding)	Redeemable at par on February 18, 2022 and frequency of Interest payment is annually.	-	5,000.00
26	Nil (March 31, 2021: 387), @Nil (Previous year : 11.00%), Secured, Rated, Listed, Redeemable, Transferable, Non-Convertible Debentures of face value of INR Nil (March 31, 2021: INR 10,00,000 each). The date of allotment is October 26, 2018. (Secured by way of hypothecation of book debts which shall be maintained at 100% of principal amount of the debentures outstanding.)	Redeemable on October 26, 2021 and frequency of Interest payment is half yearly.	-	3,870.00
27	Nil (March 31, 2021: 300), @Nil (Previous year : 10.60%), Secured, Rated, Unlisted, Redeemable, Transferable, Non-Convertible Debentures of face value of INR Nil (March 31, 2021: INR 1,38,887 each). The date of allotment is August 29, 2018. (Secured by way of hypothecation of book debts which shall be maintained at 100% of principal amount of the debentures outstanding.)	Redeemable at par on August 25, 2021, and frequency of Interest payment is monthly.	-	416.67
	Total (A)		**1,13,943.10**	**1,67,668.80**

(B) Non convertible debentures (unsecured)

	Particulars	Terms of repayment	As at March 31, 2022	As at March 31, 2021
1	570 (March 31, 2021: Nil), @11.50%, (Previous year: Nil) Unsecured, Not Guaranteed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Non-Convertible Debentures of face value of INR 10,00,000 (March 31, 2021: Nil). The date of allotment is February 28, 2022.	Redeemable at par on February 28, 2028 and frequency of Interest payment is half yearly.	5,700.00	-

(All amounts in INR lakhs, unless otherwise stated)

Non convertible debentures (unsecured) (Contd.)

	Particulars	Terms of repayment	As at March 31, 2022	As at March 31, 2021
2	Nil (March 31, 2021: 150) @Nil (Previous year: 11.69%), Unsecured, Not Guaranteed, Taxable, Non Cumulative, Rated, Redeemable, Non-Convertible Debentures of face value of INR Nil (March 31, 2021: INR 10,00,000). The date of allotment is August 07, 2020.	Redeemable at par on August 09, 2021 and frequency of Interest payment is monthly.	-	1,500.00
3	Nil (March 31, 2021: 2628), @Nil (Previous year: 14.15%) Rated, Unsecured, Listed, Senior, Redeemable, Taxable, Transferable, Non-Convertible Debentures of face value of INR Nil (March 31, 2021: INR 1,00,000). The date of allotment is October 5, 2015.	Redeemable at par on September 15, 2021 and frequency of Interest payment is half yearly.	-	2,628.00
Total (B)			**5,700.00**	**4,128.00**
Total (A+B)			**1,19,643.10**	**1,71,796.80**
Less: Unamortized transaction costs			(401.71)	(793.71)
Total			**1,19,241.39**	**1,71,003.09**

20. BORROWINGS (OTHER THAN DEBT SECURITIES) (AT AMORTIZED COST)

Particulars	As at March 31, 2022	As at March 31, 2021
Term loans		
From banks		
Secured	2,08,930.66	1,94,425.08
From other parties		
Secured	95,744.85	1,52,750.65
Unsecured	19.65	421.82
Overdraft facility against term deposits		
From banks		
Secured	19,418.55	10,989.97
Unsecured	0.17	0.33
External commercial borrowings		
Secured	12,219.06	19,019.65
Unsecured	18,282.83	6,877.21
Commercial paper (unsecured)	2,441.29	3,838.25
Liability against securitized assets (secured)	50,294.24	5,501.35
Liability against leased assets (unsecured)	728.66	877.73
Total	**4,08,079.96**	**3,94,702.04**
Borrowings in India	3,77,578.07	3,68,805.18
Borrowings outside India	30,501.89	25,896.86
Total	**4,08,079.96**	**3,94,702.04**

(All amounts in INR lakhs, unless otherwise stated)

21. SUB-ORDINATED LIABILITIES (AT AMORTIZED COST)

Particulars	As at March 31, 2022	As at March 31, 2021
Preference shares other than those that qualify as equity (refer notes A)	-	2,499.63
Non-convertible debentures (refer note B)	21,200.60	23,660.13
Term loans from banks	25,500.00	25,500.00
Term loans from parties other than banks	-	-
External commercial borrowings	329.93	748.09
Total	**47,030.53**	**52,407.85**
Sub-ordinated liabilities in India	46,700.60	51,659.76
Sub-ordinated liabilities outside India	329.93	748.09
Total	**47,030.53**	**52,407.85**

Notes:

A Preference shares

During the year ended March 31, 2017, the Parent Company allotted 2,50,00,000, 12.10% Rated, Cumulative, Non-Participative, Non-Convertible, Compulsorily Redeemable Preference Shares of face value of ₹ 10 each fully paid-up for cash at an issue price of ₹ 10 each. During the Financial Year 2021-22, these preference shares have been redeemed on April 22, 2021.

B Non convertible debentures (unsecured)

	Particulars	Terms of repayment	As at March 31, 2022	As at March 31, 2021
1	10,010 (March 31, 2021: 10,010), @ 13.14 % (March 31, 2021: 13.14%), Unsecured, Rated, Unlisted, Redeemable, Subordinated, Taxable, Transferable, Non-Convertible Debentures of face value of ₹ 50,000 each (March 31, 2021: ₹ 50,000 each)., The date of allotment is March 24, 2020.	Redeemable on April 24, 2027 and frequency of Interest payment is half yearly.	5,005.00	5,005.00
2	300 (March 31, 2021: 300), @15.50% (March 31, 2021: 15.50%), Unsecured, Rated, Listed, Redeemable, Subordinated, Taxable, Transferable, Non-Convertible Debentures of face value of ₹ 10,00,000 each (March 31, 2021: ₹ 10,00,000 each). The date of allotment is December 17, 2019.	Redeemable on December 31, 2026 and frequency of Interest payment is half yearly.	3,000.00	3,000.00
3	20 (March 31, 2021: 20), @ 14 %, Unsecured, rated, listed, redeemable, Subordinate, taxable, transferable, non-convertible debentures of face value of ₹ 1,00,00,000 each, The date of allotment is December 17, 2019.	Redeemable in 4 equal tranches starting from June 30, 2025 to December 31, 2026	2,000.00	2,000.00
4	100 (March 31, 2021: 100), @15.00% (March 31, 2021: 15.00%), Unsecured, Rated, Unlisted, Redeemable, Subordinated, Non-Convertible Debentures of face value of ₹ 10,00,000 each (March 31, 2021:₹ 10,00,000 each). The date of allotment is June 29, 2016.	Redeemable on June 30, 2023 and frequency of Interest payment is quarterly.	1,076.19	1,076.19
5	350 (March 31, 2021: 350), @13.85% (March 31, 2021: 13.85%), Unsecured, Unrated, Unlisted, Redeemable, Subordinated, Non-Convertible Debentures of face value of ₹ 10,00,000 each (March 31, 2021:₹ 10,00,000 each). The date of allotment is March 29, 2017.	Redeemable on April 30, 2023 and frequency of Interest payment is quarterly.	3,500.00	3,500.00

(All amounts in INR lakhs, unless otherwise stated)

	Particulars	Terms of repayment	As at March 31, 2022	As at March 31, 2021
6	100 (March 31, 2021: 100), @15.00% (March 31, 2021: 15.00%), Unsecured, Rated, Unlisted, Redeemable, Subordinated, Non-Convertible Debentures of face value of ₹ 10,00,000 each (March 31, 2021: ₹ 10,00,000 each). The date of allotment is June 29, 2016.	Redeemable on March 31, 2023 and frequency of Interest payment is quarterly.	1,076.19	1,076.19
7	100 (March 31, 2021: 100), @15.00% (March 31, 2021: 15.00%), Unsecured, Rated, Unlisted, Redeemable, Subordinated, Non-Convertible Debentures of face value of ₹ 10,00,000 each (March 31, 2021: ₹ 10,00,000 each). The date of allotment is June 29, 2016.	Redeemable on December 31, 2022 and frequency of Interest payment is quarterly.	1,076.19	1,076.19
8	100 (March 31, 2021: 100), @15.00% (March 31, 2021: 15.00%), Unsecured, Rated, Unlisted, Redeemable, Subordinated, Non-Convertible Debentures of face value of ₹ 10,00,000 each (March 31, 2021: ₹ 10,00,000 each). The date of allotment is June 29, 2016.	Redeemable on September 30, 2022 and frequency of Interest payment is quarterly.	1,076.19	1,076.19
9	100 (March 31, 2021: 100), @15.50% (March 31, 2021: 15.50%), Unsecured, Rated, Unlisted, Redeemable, Subordinated, Non-Convertible Debentures of face value of ₹ 10,00,000 each (March 31, 2021: ₹ 10,00,000 each). The date of allotment is June 28, 2016.	Redeemable on September 28, 2022 and frequency of Interest payment is quarterly.	1,000.00	1,000.00
10	250 (March 31, 2021: 250), @15.50% (March 31, 2021: 15.50%), Unsecured, Rated, Subordinated, Redeemable, Non-Convertible Debentures of face value of ₹ 10,00,000 each (March 31, 2021: ₹ 10,00,000 each). The date of allotment is December 30, 2015.	Redeemable on April 15, 2022 and frequency of Interest payment is quarterly.	2,500.00	2,500.00
11	Nil (March 31, 2021: 250), @Nil (March 31, 2021: IDFC 1YR MCLR + 5.90 spread i.e.15.10%), Unsecured, Rated, Redeemable, Subordinated, Listed, Transferable, Non-Convertible Debentures of face value of INR 10,00,000 each (March 31, 2021: INR 10,00,000). The date of allotment is June 30, 2015.	Redeemable on June 30, 2021 and frequency of Interest payment is quarterly.	-	2,500.00
	Total		**21,309.76**	**23,809.76**
	Less: Unamortized transaction costs		(109.16)	(149.63)
	Total		**21,200.60**	**23,660.13**

(All amounts in INR lakhs, unless otherwise stated)

Reconciliation of liabilities arising from financing activities

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

Particulars	Debt securities	Borrowings (other than debt)	Subordinated liabilities	Liability against leased assets (unsecured)	Total
April 1, 2020	**86,386.14**	**4,10,371.66**	**56,302.54**	**1,090.95**	**5,54,151.29**
Adoption of Ind AS 116					
Cash flows:					
- Repayment	(21,542.85)	(2,61,983.40)	(4,169.77)	(463.91)	(2,88,159.93)
- Proceeds from overdraft facility	-	(1,903.20)	-	-	(1,903.20)
- Proceeds other than overdraft facility	1,06,625.00	2,47,158.61	-	-	3,53,783.61
	85,082.15	**(16,727.99)**	**(4,169.77)**	**(463.91)**	**63,720.48**
Non cash:					
- Addition during the year	-	163.19	304.77	213.57	681.53
- Foreign exchange	-	(291.98)	(89.19)	-	(381.17)
- Amortization of upfront fees	301.83	1,818.76	59.50	-	2,180.09
- Deferment of upfront processing fee	(767.03)	(1,509.33)	-	-	(2,276.36)
- Others	-	-	-	37.12	37.12
March 31, 2021	**1,71,003.09**	**3,93,824.31**	**52,407.85**	**877.73**	**6,18,112.98**
Cash flows:					
- Repayment	(81,783.71)	(3,16,735.27)	(5,370.18)	(354.99)	(4,04,244.15)
- Proceeds from overdraft facility	-	10,378.58	-	-	10,378.58
- Proceeds other than overdraft facility	29,630.00	3,19,571.12	-	-	3,49,201.12
	(52,153.71)	**13,214.43**	**(5,370.18)**	**(354.99)**	**(44,664.45)**
Non cash:					
- Addition during the year	-	-	-	137.60	137.60
- Foreign exchange	-	418.11	(50.19)	-	367.92
- Amortization of upfront fees	436.69	1,452.09	43.05	-	1,931.83
- Deferment of upfront processing fee	(44.68)	(1,557.64)	-	-	(1,602.32)
- Others	-	-	-	68.32	68.32
As at March 31, 2022	**1,19,241.39**	**4,07,351.30**	**47,030.53**	**728.66**	**5,74,351.88**

Notes:

i) The Borrowings together with debt securities and subordinate liabilities referred in notes 19, 20 and 21 are secured by way hypothecation of portfolio loans arising out of its business operations, cash collateral in the form of fixed deposits. The same have also been guaranteed by two of the directors of the Parent Company in their personal capacity.

ii) Vehicles and building are hypothecated for respective borrowings availed for purchase of property plant and equipment.

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(All amounts in INR lakhs, unless otherwise stated)

Terms of repayment of debt securities, other borrowings and subordinated liabilities as on March 31, 2022 are as follows:#

Repayment	Interest rate range	Due within 1 year		Due within 1 to 2 years		Due within 2 to 3 years		Due within 3 to 4 years		Due after 4 years		Total
		No. of instalments	Amount	No. of instalments	Amount	No. of instalments	Amount	No. of instalments	Amount	No. of instalments	Amount	Amount
Monthly	Below 9.00%	224	19,753.98	169	8,794.40	97	1,684.16	48	12.71	24	6.89	30,252.14
	9% to 12%	384	92,929.04	260	30,133.62	173	14,563.83	103	2,045.97	78	1,441.50	1,41,113.96
	12.01% to 15%	521	8,746.01	191	1,935.51	34	466.03	2	27.44	-	-	11,174.99
	Above 15%	-	-	-	-	-	-	-	-	-	-	-
Quarterly	Below 9.00%	189	8,882.29	151	3,508.34	90	1,911.62	33	1,197.76	16	1,045.43	16,545.44
	9% to 12%	62	49,112.62	44	34,226.71	12	6,623.11	2	62.50	-	-	90,024.94
	12.01% to 15%	13	2,464.83	6	1,187.50	-	-	-	-	-	-	3,652.33
	Above 15%	-	-	-	-	-	-	-	-	-	-	-
Semi-annually	Below 9.00%	2	2,671.50	2	2,671.50	2	2,671.50	-	-	-	-	8,014.50
	9% to 12%	17	20,435.71	8	8,685.71	3	1,000.00	-	-	-	-	30,121.42
	12.01% to 15%	-	-	-	-	-	-	-	-	-	-	-
	Above 15%	-	-	-	-	-	-	2	1,500.00	2	1,500.00	3,000.00
Annually	9% to 12%	1	833.33	1	833.33	-	-	-	-	-	-	1,666.66
Bullet	Below 9.00%	4	15,000.00	-	-	-	-	-	-	-	-	15,000.00
	9% to 12%	15	49,540.16	2	5,000.00	1	3,776.00	-	-	2	11,327.99	69,644.15
	12.01% to 15%	3	17,604.77	5	26,400.00	1	3,730.00	1	20,000.00	-	-	67,734.77
	Above 15%	3	6,500.00	-	-	-	-	-	-	-	-	6,500.00
Bullet		-	-	1	500.00	-	-	-	-	-	-	500.00
On demand	Variable rates	6	40,293.06	5	24,748.13	4	4,875.49	7	13,631.37	2	0.50	83,548.55
Total		**1,444**	**3,34,767.30**	**845**	**1,48,624.75**	**417**	**41,301.74**	**198**	**38,477.75**	**124**	**15,322.31**	**5,78,493.85**

(All amounts in INR lakhs, unless otherwise stated)

Terms of repayment of debt securities, other borrowings and subordinated liabilities as on March 31, 2021 are as follows:#

Repayment	Interest rate range	Due within 1 year		Due within 1 to 2 years		Due within 2 to 3 years		Due within 3 to 4 years		Due after 4 years		Total
		No. of instalments	Amount	No. of instalments	Amount	No. of instalments	Amount	No. of instalments	Amount	No. of instalments	Amount	Amount
Monthly	Below 9.00%	193	10,419.52	109	2,771.84	71	36.22	43	13.96	9	2.10	13,243.64
	9% to 12%	391	55,009.78	235	28,901.26	105	2,927.02	52	542.75	10	156.25	87,537.06
	12.01% to 15%	1,160	23,456.41	435	8,051.66	146	1,610.40	49	605.71	14	208.50	33,932.68
Quarterly	Below 9.00%	21	7,029.15	16	5,263.32	10	763.32	8	263.32	16	196.05	13,515.16
	9% to 12%	76	51,101.07	46	26,800.57	23	11,748.42	5	3,520.83	-	-	93,170.89
	12.01% to 15%	18	3,620.97	14	2,502.14	6	1,187.50	-	-	-	-	7,310.61
Semi-annually	Below 9.00%	4	10,171.50	3	6,421.50	2	2,671.50	2	2,671.50	-	-	21,936.00
	9% to 12%	22	33,465.71	16	16,685.71	8	8,685.71	3	1,000.00	-	-	59,837.13
	12.01% to 15%	1	3,000.00	2	6,000.00	3	6,000.00	1	3,000.00	4	2,000.00	20,000.00
	Above 15%	-	-	-	-	-	-	-	-	4	3,000.00	3,000.00
Annually	9% to 12%	1	833.33	1	833.33	1	833.33	-	-	-	-	2,499.99
Bullet	Below 9.00%	6	20,507.62	-	-	-	-	-	-	-	-	20,507.62
	9% to 12%	14	69,322.88	6	28,709.44	2	5,000.00	-	-	1	7,350.47	1,10,382.79
	12.01% to 15%	1	2,628.00	2	10,804.77	4	20,700.00	-	-	1	20,000.00	54,132.77
	Above 15%	1	2,500.00	3	6,500.00	1	500.00	-	-	-	-	9,500.00
Bullet		1	2,500.00	-	-	-	-	-	-	-	-	2,500.00
On demand	Variable rates	1	30,989.97	1	14,874.51	2	18,748.13	2	0.49	6	5,006.88	69,619.98
Total		**1,911**	**3,26,555.91**	**889**	**1,65,120.05**	**384**	**81,411.55**	**165**	**11,618.56**	**65**	**37,920.25**	**6,22,626.32**

All the above mentioned repayments disclosed as per the contractual maturities of debt securities, borrowing other than debt securities and subordinate liabilities at gross carrying value.

(All amounts in INR lakhs, unless otherwise stated)

22. OTHER FINANCIAL LIABILITIES

Particulars	As at March 31, 2022	As at March 31, 2021
Interest accrued on debt securities	3,496.31	5,128.29
Interest accrued on borrowings other than debt securities	1,749.90	2,144.12
Interest accrued on subordinated liabilities	530.26	588.62
Payable towards assignment and securitization transactions	17,800.72	19,946.50
Margin money received from customers	167.44	203.21
First loss default guarantee	2,998.32	2,956.25
Payable to employees	784.15	528.62
Security deposit received	29.68	34.48
Insurance payables	436.24	200.29
Financial liability for corporate guarantee	-	45.95
Unclaimed amount of preference shares	8.26	-
Total	**28,001.28**	**31,776.33**

23. CURRENT TAX LIABILITIES (NET)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for tax (net)	-	87.90
Total	**-**	**87.90**

24. PROVISIONS

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for gratuity (refer note 48)	33.94	36.11
Provision for compensation absences (refer note 48)	945.61	1,605.84
Provision for compassionate	2.78	0.90
Total	**982.33**	**1,642.85**

25. OTHER NON-FINANCIAL LIABILITIES

Particulars	As at March 31, 2022	As at March 31, 2021
Interest received in advance	134.66	50.73
Deferred income	3.61	11.75
Statutory dues payables	897.27	808.50
Total	**1,035.54**	**870.98**

(All amounts in INR lakhs, unless otherwise stated)

26. EQUITY SHARE CAPITAL

	Particulars	As at March 31, 2022		As at March 31, 2021	
		Number	Amount	Number	Amount
A	**Authorized share capital**				
	Equity share capital of face value of INR 10 each				
	At the beginning of the year	9,50,00,000	9,500.00	6,50,00,000	6,500.00
	Additions during the year	1,00,00,000	1,000.00	3,00,00,000	3,000.00
		10,50,00,000	**10,500.00**	**9,50,00,000**	**9,500.00**
B	**Issued and subscribed**				
	Equity share capital of face value of INR 10 each				
	At the beginning of the year	7,20,66,977	7,206.70	5,20,84,694	5,208.47
	Additions during the year	30,76,916	307.69	1,99,82,283	1,998.23
		7,51,43,893	**7,514.39**	**7,20,66,977**	**7,206.70**
C	**Issued and Paid-up**				
	Fully paid-up				
	Equity share capital of face value of INR 10 each				
	At the beginning of the year	5,20,38,194	5,203.82	5,20,38,194	5,203.82
	Additions during the year	2,29,80,803	2,298.08	-	-
		7,50,18,997	**7,501.90**	**5,20,38,194**	**5,203.82**
	Partly paid-up				
	Equity share capital of face value of INR 10 each and paid up of INR 7.5 each				
	At the beginning of the year	-	-	-	-
	Additions during the year	-	-	1,99,82,283	1,498.67
		-	**-**	**1,99,82,283**	**1,498.67**
	Less: Calls in arrears	-	-	(2,55,678)	(12.78)
		-	**-**	**1,97,26,605**	**1485.89**
	Less: Amount recoverable from Satin Employees Welfare Trust	(4,82,946)	(48.29)	(4,82,946)	(44.94)
	(Equity shares of INR 10/-each allotted to the Satin Employees Welfare Trust)	**7,45,36,051**	**7,453.61**	**7,12,81,853**	**6,644.77**
	Add: Forfeited shares (amount originally paid on 1,24,896 equity shares (March 31, 2021: 46,500 equity shares)	-	5.51	-	2.35
		7,45,36,051	**7,459.12**	**7,12,81,853**	**6,647.12**
D	**Reconciliation of number of equity shares outstanding at the beginning and at the end of the year**				
	Balance at the beginning of the year	7,20,20,477	6,702.49	5,20,38,194	5,203.82
	Add: Call money received during the year	-	494.88	-	-
	Add: Issued during the year	30,76,916	307.69	1,99,82,283	1,498.67
	Less: Forfeited shares	78,396	3.16	-	-
		7,50,18,997	**7,501.90**	**7,20,20,477**	**6,702.49**
E	**Reconciliation of number of equity shares issued to Satin Employees Welfare Trust outstanding at the beginning and at the end of the year**				
	Balance at the beginning of the year	4,82,946	44.94	3,48,950	34.89
	Add: Allotted to trust during the year	-	-	1,33,996	10.05
	Add: Call money received during the year	-	3.35	-	-
		4,82,946	**48.29**	**4,82,946**	**44.94**

F (i) During the current year, the authorized share capital of the Parent Company was increased vide approval of equity shareholders dated December 31, 2021 from INR 9,500 lakhs divided into 95,000,000 equity shares of INR 10 each to 10,500 lakhs divided into 105,000,000 equity shares of INR 10 each.

(ii) During the current year, the allotment of 30,76,916 equity shares of INR 10 each at issue price of INR 81.25 per share including premium of INR 71.25 per share on preferential basis of face value of INR 10 each fully paid-up to Adesh Agricare LLP, Adesh Agrifarm LLP, Aarti Agrifeeds LLP and Trimudra Trade & Holdings Private Limited (entities belonging to non-promoter group).

(iii) During the current year, the Parent Company has allotted Fully Convertible Warrants of INR 10 each at issue price of INR 81.25 per warrant including premium of INR 71.25 per warrant (25% of which was paid on allotment of

(All amounts in INR lakhs, unless otherwise stated)

warrant and 75% shall be payable at the time of exercising the warrants) on preferential basis to Trishashna Holdings & Investments Private Limited (THIPL) (1,23,07,692 warrants) (entity belonging to promoter group) and Florintree Ventures LLP (1,23,07,692 warrants) (entity belonging to non-promoter group) on January 25, 2022.

(iv) a) The Board of Directors of the Parent Company on June 22, 2020 approved fund raising by way of a Rights Issue and on July 30, 2020 approved issue of 1,99,82,667 equity shares of face value of INR 10 each (the "Rights Equity Shares") at a price of INR 60 per Rights Equity Share (including premium of INR 50 per Rights Equity Share), aggregating to INR 11,989.60 lakhs, in the ratio of 48 Rights Equity Shares for every 125 existing fully-paid shares held by the eligible equity shareholders as on the Record Date i.e. August 5, 2020. On September 1, 2020, the Parent Company approved allotment of 1,99,82,283 Rights Equity shares of face-value INR 10 each to the eligible applicants. The Rights Equity Shares were allotted as partly paid-up for an amount of INR 15 per Rights Equity Share received on application (of which INR 2.50 was towards face value and INR 12.50 towards premium). 384 Rights Equity Shares issued by the Company are kept in abeyance pending regulatory/ other clearances.

b) On February 12, 2021, the Parent Company called for the 1st call money of INR 30 per partly paid shares (""PPS"") [of which INR 5 is towards face value and INR 25 towards premium]. Till June 9, 2021, it received the due amount in respect of 1,99,27,917 Rights Equity shares aggregating to INR 5,978.38 lakhs. However, due to non-payment of the 1st call money, in accordance with the Articles of Association, the Company forfeited 54,366 Rights Equity shares of INR 10 each (INR 2.50 paid up) along with the amount paid thereon on June 9, 2021.

c) On July 6, 2021, the Parent Company called for the final call money of INR 15 (of which INR 2.50 shall be towards face value and INR 12.50 towards premium) per Rights Equity Share on 1,99,27,917 Rights Equity shares of INR 10 each (INR 7.50 Paid up). Out of which, final call money amounting to INR 2,974.36 lakhs on 1,98,29,079 Rights Equity shares has been successfully received by the Parent Company and same is converted into fully paid equity shares on September 2, 2021.

d) The Parent Company has extended the Final call money period (from September 7, 2021 to September 21, 2021 in respect of 98,838 Rights Equity share for which Final call money was not received.

e) During the said extended period the Parent Company has received final call money amounting to INR 11.22 lakhs on 74,808 Rights Equity share and converted the same into fully paid shares on October 5, 2021 and forfeited 24,030 Rights Equity Share due to non -receipt of Final Call Money in accordance with the Articles of Association of the Parent Company.

f) There has been no deviation in the use of proceeds of the Rights Issue, from the objects stated in the Offer document.

G Rights, preferences and restrictions

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

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

Name of shareholder	As at March 31, 2022		As at March 31, 2021	
	Number	%	Number	%
Trishashna Holdings & Investments Private Limited (THIPL)	2,54,77,128	33.96%	2,54,77,128	35.37%
Nordic Microfinance Initiative Fund III KS	46,63,136	6.22%	46,63,136	6.47%

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

i) On August 30, 2016, the allotment of 1,087,456 equity shares of INR 10 each at an issue price of INR 457.82 per share including premium of INR 447.82 per share on preferential basis to persons and entities belonging to promoter and non-promoter group pursuant to swap of equity shares of the Parent Company with the shareholders of Taraashna Financial Services Limited, "TFSL" (Previously known as Taraashna Services Limited) with an intent to make it a

(All amounts in INR lakhs, unless otherwise stated)

subsidiary of the Parent Company in accordance with the provisions of Chapter VII of SEBI (ICDR) Regulations, 2009. Accordingly, as per confirmation received from TFSL, 7,977,239 equity shares were transferred to the Company.

ii) On May 30, 2018, the allotment of 1,230,098 equity shares of INR 10 each on conversion of 1,230,098, 0.01% Optionally Convertible, Redeemable Preference Shares ("OCRPS") of face value of INR 10 each fully paid-up to Capital First Limited (entity belonging to non-promoter group).

(iii) On June 27, 2019, the allotment of 1,343,283 equity shares of INR 10 each on conversion of 1,343,283, Optionally Convertible, Cumulative, Redeemable Preference Shares ("OCCRPS") of face value of INR 10 each fully paid-up to IndusInd Bank Limited (entity belonging to non-promoter group).

J Shares reserved for issue under options

For details of shares reserved for issue under the Employee Stock Option Plan (ESOP), refer note to 57.

K The information required to be disclosed that enables user of its financial statements to evaluate the objectives, policies and process for managing capital is disclosed in note 45.

L Shareholdings of Promoters

(i) For fully paid shares

Promoter Name	As at March 31, 2022		As at March 31, 2021		% Change during the year
	No. of Shares	% of Total Shares	No. of Shares	% of Total Shares	
Mrs Anureet HP Singh	7,26,148	0.97%	4,84,356	0.67%	0.30%
Mr Harbans Singh (deceased)	4,06,402	0.54%	4,06,402	0.56%	(0.02%)
Mr Satvinder Singh	3,85,703	0.51%	2,57,011	0.36%	0.15%
Mrs Neeti Singh	2,04,092	0.27%	1,37,711	0.19%	0.08%
Mr Harvinder Pal Singh	-	0.00%	-	0.00%	-
Trishashna Holdings & Investments Private Limited	2,54,77,128	33.96%	1,44,54,251	20.07%	13.89%
Wisteria Holdings & Investments Private Limited	3,22,262	0.43%	2,01,870	0.28%	0.15%
Total	**2,75,21,735**	**36.68%**	**1,59,41,601**	**22.13%**	**14.55%**

(ii) For partly paid shares

Promoter Name	As at March 31, 2022		As at March 31, 2021		% Change during the year
	No. of Shares	% of Total Shares	No. of Shares	% of Total Shares	
Mrs Anureet HP Singh	-	0.00%	2,41,792	0.34%	(0.34%)
Mr Harbans Singh (deceased)	-	0.00%	-	0.00%	-
Mr Satvinder Singh	-	0.00%	1,28,692	0.18%	(0.18%)
Mrs Neeti Singh	-	0.00%	66,381	0.09%	(0.09%)
Mr Harvinder Pal Singh	-	0.00%	-	0.00%	-
Trishashna Holdings & Investments Private Limited	-	0.00%	1,10,22,877	15.31%	(15.31%)
Wisteria Holdings & Investments Private Limited	-	0.00%	1,20,392	0.17%	(0.17%)
Total	**-**	**0.00%**	**1,15,80,134**	**16.08%**	**(16.08%)**
Grand Total	**2,75,21,735**	**36.68%**	**2,75,21,735**	**38.21%**	**1.53%**

(All amounts in INR lakhs, unless otherwise stated)

27. OTHER EQUITY

Particulars	As at March 31, 2022	As at March 31, 2021
Reserve and surplus		
Capital redemption reserve	2,777.00	277.00
Share options outstanding account	-	217.77
Statutory reserve fund	11,003.98	10,102.09
General reserve	29.94	29.94
Securities premium	1,06,455.16	1,01,809.54
Retained earnings	24,864.90	26,007.99
Money received against share warrants	5,000.00	-
Other comprehensive income:		
Equity instruments through other comprehensive income	(5.00)	(5.00)
Changes in fair value of loan assets	579.68	3,509.45
Cash flow hedge reserve	20.56	20.56
Total	**1,50,726.22**	**1,41,969.34**

Nature and purpose of other reserve

Capital redemption reserve

The same had been created in accordance with provisions of the Companies Act 2013 on account of redemption of preference shares.

Share options outstanding account

The reserve is used to recognize the fair value of the options issued to employees of the Group under Parent Company's employee stock option plan.

Statutory reserve fund

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

General reserve

The management has transferred a portion of the net profit to general reserve before declaring dividend pursuant to the provision of erstwhile Companies Act.

Securities premium

Securities premium represents premium received on issue of shares. The amount is utilized in accordance with the provisions of the Companies Act 2013.

Money received against share warrants

During the current year, the Parent Company has allotted Fully Convertible Warrants of INR 10 each at issue price of INR 81.25 per warrant including premium of INR 71.25 per warrant (25% of which was paid on allotment of warrant and 75% shall be payable at the time of exercising the warrants) on preferential basis to Trishashna Holdings & Investments Private Limited (THIPL) (1,23,07,692 warrants) (entity belonging to promoter group) and Florintree Ventures LLP (1,23,07,692 warrants) (entity belonging to non-promoter group) on January 25, 2022.

Equity instruments through other comprehensive income

This represents the cumulative gains and losses arising on the fair valuation of equity instruments measured at fair value through other comprehensive income.

Changes in fair value of loan assets

This represents the cumulative gains and losses arising on the fair valuation of loan assets classified under business model of hold and hold to collect and sell.

Cash flow hedge reserve

Cash flow hedge reserve is used to eliminate or reduce the exposure that arises from changes in the cash flows of a financial asset or liability (or other eligible exposure) due to changes in a particular risk, such as interest rate risk on a floating rate debt instrument.

(All amounts in INR lakhs, unless otherwise stated)

28. INTEREST INCOME

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
	On financial assets measured at amortized cost	On financial assets measured classified at fair value through profit and loss	On financial assets measured at amortized cost	On financial assets measured classified at fair value through profit and loss
Interest income on portfolio loans	1,10,399.10	-	1,02,914.58	-
Income from housing and other loans	5,868.61	-	4,729.10	-
Interest income on deposits, certificate of deposits and commercial papers	5,535.40	-	7,058.53	-
Interest income on investments	-	-	-	91.35
Interest income on unwinding of assigned portfolio	970.38	-	1,922.88	-
Sub total	**1,22,773.49**	**-**	**1,16,625.09**	**91.35**
Total interest income		**1,22,773.49**		**1,16,716.44**

29. DIVIDEND INCOME

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Dividend income	3.15	-
Total	**3.15**	**-**

30. RENTAL INCOME

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Rental income on building	11.03	16.19
Total	**11.03**	**16.19**

31. FEES AND COMMISSION INCOME

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Service fee and facilitation charges	682.25	759.28
Income from business correspondent operations*	7,444.52	8,796.68
Total	**8,126.77**	**9,555.96**

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Type of Services or service		
Commission income	7,444.52	8,796.68
Total revenue from contracts with customers	**7,444.52**	**8,796.68**
Geographical markets		
India	7,444.52	8,796.68
Outside India	-	-
Total revenue from contracts with customers	**7,444.52**	**8,796.68**
Timing of revenue recognition		
Services transferred at a point in time	-	-
Services transferred over time	7,444.52	8,796.68
Total revenue from contracts with customers	**7,444.52**	**8,796.68**

(All amounts in INR lakhs, unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
Contract balances		
Trade receivable	882.84	2,177.49
Contract Assets	2,250.84	1,268.85
Contract Liabilities	-	-

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue as per Contract	7,444.52	8,796.68
Adjustments	-	-
Discount	-	-
Revenue from contract with customers	**7,444.52**	**8,796.68**

32. NET GAIN/(LOSS) ON FAIR VALUE CHANGES

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(A) Net gain/(loss) on financial instruments measured at fair value through profit or loss		
- Investments		
Gain on sale of mutual funds	264.81	32.80
Gain/(loss) on fair valuation of other investments	-	(10.71)
(B) Others		
- Derivatives	1,158.62	(639.50)
Total	**1,423.43**	**(617.41)**
Fair value changes		
- Realized	263.11	(10.71)
- Unrealized	1,160.32	(606.70)
Total	**1,423.43**	**(617.41)**

33. NET GAIN ON DERECOGNITION OF FINANCIAL INSTRUMENTS

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Gain on sale of loan portfolio through assignment	5,165.51	11,191.52
Total	**5,165.51**	**11,191.52**

34. OTHER OPERATING INCOME

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Commitment and other charges	176.60	105.65
Total	**176.60**	**105.65**

35. OTHER INCOME

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Promotion of financial products	55.00	187.50
Net gain on derecognition of property, plant and equipment	2.75	10.11
Net gain on termination of leases	7.78	3.15
Interest income on income - tax refund	69.93	128.52
Miscellaneous income	273.93	102.64
Total	**409.40**	**431.92**

(All amounts in INR lakhs, unless otherwise stated)

36. FINANCE COSTS (ON FINANCIAL LIABILITIES MEASURED AT AMORTIZED COST)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest on debt securities	18,520.51	14,813.27
Interest on borrowings (other than debt securities)	36,560.71	40,744.40
Interest on subordinated liabilities*	6,918.75	7,934.61
Interest expense for leasing arrangements	89.03	99.40
Other interest expenses	306.61	69.39
Bank charges	195.10	125.64
Total	**62,590.71**	**63,786.71**

*This includes dividend on Cumulative, Non-Participative, Non-Convertible, Compulsorily Redeemable Preference Shares of INR 20.31 lakhs (March 31, 2021 : INR 364.97 lakhs) paid during the year along with redemption of the same.

37. IMPAIRMENT ON FINANCIAL INSTRUMENTS

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Loans written off	11,908.52	14,081.58
Impairment loss allowance on trade receivable and other receivable	15.79	274.09
Impairment loss allowance on housing and other loans	6,149.35	13,546.98
Total	**18,073.66**	**27,902.65**

38. EMPLOYEE BENEFITS EXPENSES

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries, wages and bonus	35,366.02	30,819.67
Contribution to provident and other funds	3,472.89	2,696.55
Share based payment to employees	(5.76)	(64.04)
Staff welfare expenses	479.28	280.34
Total	**39,312.43**	**33,732.52**

39. DEPRECIATION AND AMORTIZATION

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation on property, plant and equipment	1,203.80	1,011.30
Depreciation on right-of-use assets	289.72	401.38
Amortization on intangible assets	80.50	94.95
Total	**1,574.02**	**1,507.63**

(All amounts in INR lakhs, unless otherwise stated)

40. OTHER EXPENSES

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Travelling and conveyance	697.31	466.96
Legal and professional charges	1,442.50	1,669.40
Insurance	558.47	560.41
Rent	1,659.81	1,654.22
Auditor's fee and expenses	78.86	77.87
Rates and taxes	127.14	116.19
Repairs and maintenance	590.87	591.22
Software expenses	67.71	67.09
Exchange fluctuation loss (net)	480.80	(386.16)
Documentation charges	128.64	152.55
Corporate social responsibility	341.93	586.00
Net loss on derecognition of property, plant and equipment	22.78	-
Property, plant and equipment written off	39.14	25.08
Loss on investment property net of Rental income	11.15	18.41
Printing and stationery	443.78	454.30
Communication costs	507.94	518.08
Write off against first loss default guarantee	2,914.03	573.91
First loss default guarantee expenses	42.08	1,711.16
Website and maintenance charges	18.46	34.59
Advertisement and publicity	104.89	110.58
Cash embezzlement	102.78	101.50
Interest on interest to borrowers	-	10.64
Other administrative expenses	1,487.15	1,386.63
Miscellaneous expenses	1,252.48	945.52
Total	**13,120.70**	**11,446.15**

(All amounts in INR lakhs, unless otherwise stated)

41. TAX EXPENSE

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Current tax	3,196.54	4,802.05
Income tax for earlier years	206.16	392.05
Deferred tax credit	(2,054.73)	(4,771.27)
Tax expense reported in the Statement of Profit and Loss	**1,347.97**	**422.83**

The major components of tax expense and its reconciliation to expected tax expense based on the enacted tax rate applicable to the Company is 25.168% (March 31, 2021: 25.168%) and the reported tax expense in statement of profit and loss are as follows:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Accounting profit/(loss) before tax expense	**3,417.86**	**(975.39)**
Income tax rate	25.168%	25.168%
Expected tax expense	860.21	(245.49)
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense		
Tax impact of expenses which is non deductible	203.03	236.93
Tax impact on items exempt under income tax	(2.57)	(2.57)
Income tax for earlier years	206.16	382.17
Tax on profit elimination	60.54	38.87
Others	20.60	12.91
Tax expense	**1,347.97**	**422.83**

42. EARNINGS PER SHARE (EPS)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Net profit/(loss) after tax attributable to equity shareholders		
Net profit/(loss) for the year for basic EPS	**2,069.89**	**(1,398.22)**
Dilutive impact of optionally convertible and redeemable preference shares	-	-
Net profit/(loss) for the year for diluted EPS	**2,069.89**	**(1,398.22)**
Nominal value of equity share (INR)	10	10
Weighted-average number of equity shares for basis earnings per share	6,98,88,690	6,19,95,970
Effect of dilution:		
Share warrants	61,53,846	-
Rights Issue	-	24,89,342
Weighted-average number of equity shares used to compute diluted earnings per share	**7,60,42,536**	**6,44,85,312**
Basic earnings per share (INR)	**2.96**	**(2.26)**
Diluted earnings per share (INR)	**2.72**	**(2.26)**

(All amounts in INR lakhs, unless otherwise stated)

43. FINANCIAL INSTRUMENTS

A Financial assets and liabilities

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

Particulars	Note	As at March 31, 2022	As at March 31, 2021
Financial assets measured at fair value			
Derivative financial instruments	Note - 6	1,192.75	34.13
Loans measured at fair value through other comprehensive income	Note - 8	4,17,502.88	5,05,504.25
Investments* measured at			
Fair value through other comprehensive income	Note - 9	4,505.00	-
Fair value through profit and loss	Note - 9	59.75	58.06
Financial assets measured at amortised cost			
Cash and cash equivalents	Note - 4	1,09,126.48	1,16,403.35
Bank balances other cash and cash equivalents	Note - 5	91,067.88	79,429.19
Trade receivables	Note - 7	276.08	1,945.52
Loans	Note - 8	1,13,339.39	75,611.35
Investments*	Note - 9	291.87	-
Security deposits	Note - 10	356.53	406.30
Other financial assets	Note - 10	2,546.36	3,583.18
Total		**7,40,264.97**	**7,82,975.33**
Financial liabilities measured at amortised cost			
Trade payables	Note - 17	1,278.48	1,141.67
Other payables	Note - 18	1,692.21	2,221.90
Debt securities (including interest accrued)	Note - 19 and 22	1,22,737.70	1,76,131.38
Borrowings other than debt securities (including interest accrued)	Note - 20 and 22	4,09,829.86	3,96,846.16
Sub-ordinated liabilities (including interest accrued)	Note - 21 and 22	47,560.79	52,996.47
Other financial liabilities	Note - 22	22,224.81	23,915.30
Total		**6,05,323.85**	**6,53,252.88**

B Fair values hierarchy

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

The categories used are as follows:

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

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

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

Valuation technique used to determine fair value

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

(All amounts in INR lakhs, unless otherwise stated)

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

Particulars	Level 1	Level 2	Level 3	Total
As at March 31, 2022				
Assets				
Loans at fair value through other comprehensive income				
Loans	-	4,17,502.88	-	**4,17,502.88**
Investments at fair value through other comprehensive income				
Security Receipts	-	-	4,505.00	**4,505.00**
Investments at fair value through profit and loss				
Mutual funds	59.24	-	-	**59.24**
Government securities	-	0.51	-	**0.51**
Derivative financial assets at fair value through profit and loss				
Currency and interest swaps	-	1,192.75	-	**1,192.75**

Particulars	Level 1	Level 2	Level 3	Total
As at March 31, 2021				
Assets				
Loans at fair value through other comprehensive income				
Loans	-	5,05,504.25	-	**5,05,504.25**
Investments at fair value through profit and loss				
Mutual funds	57.55	-	-	**57.55**
Government securities	-	0.51	-	**0.51**
Derivative financial assets at fair value through profit and loss				
Currency and interest swaps	-	34.13	-	**34.13**

Valuation process and technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

(a) Eligible loans valued by discounting the aggregate future cash flows (both principal and interest cash flows) with average lending rate as discounting rate for the remaining portfolio tenor.

(b) The use of net asset value for mutual funds and certificate of deposits on the basis of the statement received from investee party.

(c) The value of derivative contracts are determined using forward exchange rates at balance sheet date.

(d) The use of net asset value for security receipts on the basis of the value declared by investee party.

B.2 Fair value of instruments measured at amortised cost

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

Particulars	As at March 31, 2022		As at March 31, 2021	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Cash and cash equivalents	1,09,126.48	1,09,126.48	1,16,403.35	1,16,403.35
Bank balances other than cash and cash equivalents	91,067.88	91,067.88	79,429.19	79,429.19
Trade receivables	276.08	276.08	1,945.52	1,945.52
Loans	1,13,339.39	1,14,025.33	75,611.35	76,997.73
Security deposits	356.53	358.75	406.30	405.84
Other financial assets	2,546.36	2,546.36	3,583.18	3,583.18
Total	**3,17,004.59**	**3,17,400.88**	**2,77,378.89**	**2,78,764.81**

(All amounts in INR lakhs, unless otherwise stated)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Carrying value	Fair value	Carrying value	Fair value
Financial liabilities				
Trade payables	1,278.48	1,278.48	1,141.67	1,141.67
Other payables	1,692.21	1,692.21	2,221.90	2,221.90
Debt securities (including interest accrued)	1,22,737.70	1,26,258.68	1,76,131.38	1,81,646.60
Borrowings other than debt securities (including interest accrued)	4,09,829.86	4,12,120.52	3,96,846.16	4,06,018.67
Sub-ordinated liabilities (including interest accrued)	47,560.79	48,051.87	52,996.47	53,610.42
Other financial liabilities	22,224.81	22,224.81	23,915.30	23,455.74
Total	**6,05,323.85**	**6,11,626.57**	**6,53,252.88**	**6,68,094.99**

The management assessed that fair values of cash and cash equivalents, other bank balances, trade receivables and trade payables approximate their respective carrying amounts, largely due to the short-term maturities of these instruments. The following methods and assumptions were used to estimate the fair values for other assets and liabilities:

(i) The fair values of fixed interest bearing loans are determined by applying set of discount rates and then averaged out to arrive at the fair value.

(ii) The fair values of fixed rate interest-bearing debt securities, borrowings and subordinated liabilities are determined by applying discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. For variable rate interest-bearing debt securities, borrowings and subordinated liabilities, carrying value represent best estimate of their fair value as these are subject to changes in underlying interest rate indices as and when the changes happen.

44. FINANCIAL RISK MANAGEMENT

i) Risk Management

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

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

A) Credit risk

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

(All amounts in INR lakhs, unless otherwise stated)

a) Credit risk management

Based on business environment in which the Group operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. The Group assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Group has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties, including regular collateral revisions. The Group assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

(i) Low credit risk

(ii) Moderate credit risk

(iii) High credit risk

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

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

Financial assets that expose the entity to credit risk*

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Low credit risk		
Cash and cash equivalents	1,03,747.95	1,11,398.64
Bank balances other than cash and cash equivalents	91,067.88	79,429.19
Trade receivables	285.63	1,945.52
Loans	4,77,629.68	5,17,768.24
Security deposits	356.53	406.30
Other financial assets	2,546.36	3,583.18
(ii) Moderate credit risk		
Loans	8,095.38	13,567.49
(iii) High credit risk		
Loans	45,117.20	49,779.87
Other financial assets	4.14	6.43

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

Cash and cash equivalents and bank deposits

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

Trade receivables

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

Other financial assets measured at amortised cost

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

(All amounts in INR lakhs, unless otherwise stated)

Loans

The Group 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 by setting limits on the amount of risk it is willing to accept for individual counterparties. These processes include a detailed appraisal methodology, identification of risks and suitable structuring and credit risk mitigation measures. The Group assesses increase in credit risk on an ongoing basis for amounts loan receivables that become past due and default is considered to have occurred when amounts receivable become 90 days past due.

The major guidelines for selection of the client includes:

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

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

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

Assets are written off when there is no reasonable expectation of recovery. The Group continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.

b) Credit risk exposure

i) Expected credit losses for financial assets other than loans

As at March 31, 2022	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	1,03,747.95	-	1,03,747.95
Bank balances other than cash and cash equivalents	91,067.88	-	91,067.88
Trade receivables	285.63	9.55	276.08
Security deposits	356.53	-	356.53
Other financial assets	2,550.50	4.14	2,546.36

As at March 31, 2021	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	1,11,398.64	-	1,11,398.64
Bank balances other than cash and cash equivalents	79,429.19	-	79,429.19
Trade receivables	1,945.52	-	1,945.52
Security deposits	406.30	-	406.30
Other financial assets	3,589.61	6.43	3,583.18

(All amounts in INR lakhs, unless otherwise stated)

ii) Expected credit loss for loans

Definition of default:

The Group considers default in all cases when the borrower becomes 90 days past due on its contractual payments. 'The Expected Credit Loss (ECL) is measured at 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 loan assets. ECL is the product of the Probability of Default, Exposure at Default and Loss Given Default.

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

Particulars	Stage 1	Stage 2	Stage 3
Gross carrying amount as at April 1, 2020	**4,87,770.42**	**6,423.96**	**15,852.51**
Assets originated*	3,69,217.79	3,226.19	9,549.75
Net transfer between stages			
Transfer to stage 1	272.41	(236.23)	(52.24)
Transfer to stage 2	(13,466.97)	13,473.24	(6.27)
Transfer to stage 3	(37,340.49)	(3,783.65)	41,124.14
Assets derecognized or collected (excluding write offs)	(2,61,108.20)	(5,427.72)	(2,852.44)
Write - offs (including death cases)	-	-	(13,637.72)
Gross carrying amount as at March 31, 2021	**5,45,344.96**	**13,675.79**	**49,977.73**
Assets originated*	2,97,304.82	1,032.25	2,024.24
Net transfer between stages			
Transfer to stage 1	8,021.60	(7,447.86)	(573.74)
Transfer to stage 2	(8,587.17)	8,670.38	(83.21)
Transfer to stage 3	(7,436.40)	(3,468.10)	10,904.49
Assets derecognized or collected (excluding write offs)	(3,22,408.20)	(4,121.02)	(4,361.30)
Write - offs (including death cases)	-	-	(12,338.91)
Gross carrying amount as at March 31, 2022	**5,12,239.61**	**8,341.44**	**45,549.30**

* Assets originated has been presented net of collection made during the year.

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

Reconciliation of loss allowance	Loans			Other financial assets
	Stage 1	Stage 2	Stage 3	
Loss allowance on April 1, 2020	**7,153.04**	**2,190.42**	**6,592.26**	**168.54**
Increase of provision due to assets originated during the year	1,855.06	3,046.20	5,315.00	-
Net transfer between stages	-	-	-	-
Transfer to stage 1	94.35	(71.61)	(22.74)	-
Transfer to stage 2	(196.57)	199.30	(2.73)	-
Transfer to stage 3	(695.05)	(1,151.62)	1,846.67	-
Assets derecognized or collected	(2,110.22)	(923.32)	(6,158.84)	(162.11)
Impact of ECL on exposures transferred between stages during the year	(3,352.77)	2,565.43	13,160.62	-
Loss allowance on March 31, 2021	**2,747.84**	**5,854.80**	**20,730.24**	**6.43**
Increase of provision due to assets originated during the year	665.12	205.91	877.09	-
Net transfer between stages				
Transfer to stage 1	2,129.68	(1,900.34)	(229.34)	-
Transfer to stage 2	(109.99)	146.49	(36.50)	-
Transfer to stage 3	(703.17)	(1,017.43)	1,720.60	-
Assets derecognized or collected	(500.29)	(449.42)	(6,248.13)	7.26
Impact of ECL on exposures transferred between stages during the year	(2,775.66)	1,661.48	12,519.10	-
Loss allowance on March 31, 2022	**1,453.53**	**4,501.49**	**29,333.06**	**13.69**

c) Concentration of loans

Particulars	As at March 31, 2022	As at March 31, 2021
Micro finance loans	4,92,128.89	5,53,479.08
Micro, Small and Medium Enterprises (MSME)	48,079.96	39,843.52
Housing finance and other loans	29,834.31	21,436.03
Less: Unamortized processing fee	(4,059.09)	(4,409.90)
Total	**5,65,984.07**	**6,10,348.73**

(All amounts in INR lakhs, unless otherwise stated)

d) Loans secured against collateral

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

Particulars	Carrying value
As at March 31, 2022	
MSME loans secured by property, plant and equipment (including land, building and plots)	41,946.63
MSME loans secured by book debts, inventories, margin money and other working capital items	1,733.28
As at March 31, 2021	
MSME loans secured by property, plant and equipment (including land, building and plots)	44,257.23
MSME loans secured by book debts, inventories, margin money and other working capital items	1,163.50

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

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

B) Liquidity risk

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

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

(i) Financing arrangements

The Group had access to the following undrawn borrowing facilities:

	Total facility	Drawn	Undrawn
As at March 31, 2022			
- Expiring within one year	89,205.00	86,700.17	2,504.83
- Expiring beyond one year	3,48,086.45	3,18,145.78	29,940.67
Total	**4,37,291.45**	**4,04,845.95**	**32,445.50**

	Total facility	Drawn	Undrawn
As at March 31, 2021			
- Expiring within one year	67,866.85	44,490.31	23,376.54
- Expiring beyond one year	9,09,106.40	8,77,061.40	32,045.00
Total	**9,76,973.25**	**9,21,551.71**	**55,421.54**

(ii) Maturities of financial assets and liabilities

The tables below analyze the Group financial assets and liabilities into relevant maturity groupings based on their contractual maturities. The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. Derivatives have been classified to mature and/or be repaid within 12 months, regardless of the actual contractual maturities of the products. With regard to loans and advances to customers, the Group uses the same basis of expected repayment behavior as used for estimating the EIR. Issued debt reflect the contractual coupon amortisations.

(All amounts in INR lakhs, unless otherwise stated)

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

As at March 31, 2022	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Financial assets					
Non-derivatives					
Cash and cash equivalents	1,08,762.50	-	-	-	**1,08,762.50**
Bank balances other than cash and cash equivalents	70,643.62	16,891.12	5,862.12	350.56	**93,747.42**
Trade receivables	276.08	-	-	-	**276.08**
Loans	3,91,124.21	1,80,888.26	24,490.37	43,996.35	**6,40,499.19**
Investments	1,004.65	1,967.83	1,824.41	-	**4,796.89**
Other financial assets	2,942.28	51.80	34.85	53.80	**3,082.73**
Derivatives (net settled)					
Derivative financial instruments	1,192.75	-	-	-	**1,192.75**
Total undiscounted financial assets	**5,75,946.09**	**1,99,799.01**	**32,211.75**	**44,400.71**	**8,52,357.56**
Financial liabilities					
Non-derivatives					
Debt Securities	56,779.37	63,675.91	10,313.58	9,607.41	**1,40,376.27**
Borrowings other than debt securities	3,13,041.16	96,224.07	37,800.22	20,154.43	**4,67,219.88**
Subordinated liabilities	16,954.57	10,421.85	3,874.35	32,041.86	**63,292.63**
Trade payables	1,278.48	-	-	-	**1,278.48**
Other payables	1,692.21	-	-	-	**1,692.21**
Other financial liabilities	22,224.81	-	-	-	**22,224.81**
Provision for compassionate	2.78	-	-	-	**2.78**
Total undiscounted financial liabilities	**4,11,973.38**	**1,70,321.83**	**51,988.15**	**61,803.70**	**6,96,087.06**
Net undiscounted financial assets/(liabilities)	**1,63,972.71**	**29,477.18**	**(19,776.40)**	**(17,402.99)**	**1,56,270.50**

The Group has restructured certain loans in accordance with the RBI circular RBI/2021-22/31 DOR.STR. REC.11/21.04.048/2021-22 dated May 05, 2021. The maturities of financial assets and liabilities, as above, are the amount due and payable only to the extent the contractual terms with borrowers and provider of finances were amended as at March 31, 2022.

As at March 31, 2021	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Financial assets					
Non-derivatives					
Cash and cash equivalents	1,16,445.51	-	-	-	**1,16,445.51**
Bank balances other than cash and cash equivalents	65,621.30	13,774.91	2,059.55	225.07	**81,680.83**
Trade receivables	1,945.52	-	-	-	**1,945.52**
Loans	4,13,524.96	2,58,596.92	21,460.07	42,342.08	**7,35,924.03**
Investments	63.06	-	-	-	**63.06**
Other financial assets	3,871.04	109.15	29.63	40.32	**4,050.14**
Derivatives (net settled)					
Derivative financial instruments	34.13	-	-	-	**34.13**
Total undiscounted financial assets	**6,01,505.52**	**2,72,480.98**	**23,549.25**	**42,607.47**	**9,40,143.22**
Financial liabilities					
Non-derivatives					
Debt Securities	86,486.58	59,381.56	55,603.91	3,184.65	**2,04,656.70**
Borrowings other than debt securities	2,84,924.68	1,12,330.44	26,634.18	21,749.76	**4,45,639.06**
Subordinated liabilities	12,625.29	16,944.48	10,421.85	35,917.48	**75,909.10**
Trade payables	1,141.67	-	-	-	**1,141.67**
Other payables	2,221.90	-	-	-	**2,221.90**
Other financial liabilities	23,915.30	-	-	-	**23,915.30**
Provision for compassionate	0.90	-	-	-	**0.90**
Total undiscounted financial liabilities	**4,11,316.32**	**1,88,656.48**	**92,659.94**	**60,851.89**	**7,53,484.63**
Net undiscounted financial assets/(liabilities)	**1,90,189.20**	**83,824.50**	**(69,110.69)**	**(18,244.42)**	**1,86,658.59**

The management had announced moratorium for all the customers during the previous year ended on March 31, 2021. The maturities of financial assets and liabilities, as above, are the amount due and payable only to the extent the contractual terms with borrowers and provider of finances were amended as at March 31, 2021.

(All amounts in INR lakhs, unless otherwise stated)

C) Market risk

a) Foreign currency risk

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

Foreign currency risk exposure:

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

Particulars	Currency	As at March 31, 2022	As at March 31, 2021
Financial liabilities			
External commercial borrowings (including interest accrued)	USD	31,437.45	27,160.79
(Gain)/loss: Derivative contract		(1,192.75)	(34.13)

Sensitivity

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
USD sensitivity*		
INR/USD- increase by 5%	(1,571.87)	(1,358.04)
INR/USD- decrease by 5%	1,571.87	1,358.04

* *Holding all other variables constant*

b) Interest rate risk

i) Liabilities

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. 'The Group's policy is to minimise interest rate cash flow risk exposures on long-term financing. As at March 31, 2022, the Group is exposed to changes in market interest rates through debt securities, other borrowings and subordinated liabilities at variable interest rates.

Interest rate risk exposure

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

Particulars	As at March 31, 2022	As at March 31, 2021
Variable rate liabilities		
Debt securities	-	-
Borrowings other than debt securities	1,60,014.19	1,57,166.93
Subordinated liabilities	20,000.00	20,000.00
Fixed rate liabilities		
Debt securities	1,19,241.39	1,71,003.09
Borrowings other than debt securities	2,48,065.77	2,37,535.12
Subordinated liabilities	27,030.53	32,407.85
Total	**5,74,351.88**	**6,18,112.99**

(All amounts in INR lakhs, unless otherwise stated)

Sensitivity

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest sensitivity*		
Interest rates – increase by 0.50%	738.81	741.05
Interest rates – decrease by 0.50%	(738.81)	(741.05)

* *Holding all other variables constant*

ii) Assets

The Group's fixed deposits are carried at amortized cost and are fixed rate deposits.

Interest rate risk exposure

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

Particulars	As at March 31, 2022	As at March 31, 2021
Fixed deposits- variable rate	-	-
Fixed deposits- fixed rate	1,19,068.75	1,32,244.44
	1,19,068.75	**1,32,244.44**

c) Price risk

i) Exposure

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

ii) Sensitivity

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

Impact on profit / (loss) after tax

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Mutual funds		
Net assets value – increase by 5%	2.99	2.90
Net assets value – decrease by 5%	(2.99)	(2.90)

(All amounts in INR lakhs, unless otherwise stated)

45. CAPITAL MANAGEMENT

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

The Group's capital management objectives are

- to ensure the Group's ability to continue as a going concern

- to comply with externally imposed capital requirement and maintain strong credit ratings

- to provide an adequate return to shareholders

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

Particulars	As at March 31, 2022	As at March 31, 2021
Net debt*	3,79,933.99	4,30,141.47
Total equity	1,58,185.34	1,48,616.46
Net debt to equity ratio	**2.40**	**2.89**

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

46. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities analyzed according to when they are expected to be recovered or settled. Derivatives have been classified to mature and/or be repaid within 12 months, regardless of the actual contractual maturities.

Particulars	As at March 31, 2022		As at March 31, 2021	
	Within 12 months	After 12 months	Within 12 months	After 12 months
ASSETS				
Financial assets				
Cash and cash equivalents	1,09,126.48	-	1,16,403.35	-
Bank balances other than cash and cash equivalents	69,387.96	21,679.92	63,964.58	15,464.61
Derivative financial instruments	1,192.75	-	34.13	-
Trade receivables	276.08	-	1,945.52	-
Loans	3,03,109.49	2,27,732.78	3,03,774.98	2,77,340.62
Investments	1,195.97	3,660.65	58.06	-
Other financial assets	2,836.48	66.41	3,810.98	178.50
	4,87,125.21	**2,53,139.76**	**4,89,991.60**	**2,92,983.73**
Non-financial assets				
Current tax assets (net)	(116.53)	642.63	(804.46)	804.46
Deferred tax assets (net)	161.66	8,092.00	63.98	5,154.80
Property, plant and equipment	118.71	8,163.47	135.76	8,615.95
Capital work-in-progress	-	17.89	-	364.96
Investment Property	-	698.26		693.73
Goodwill	-	3,370.66	-	3,370.66
Other intangible assets	-	230.40	-	310.91
Other non-financial assets	3,441.33	441.61	2,568.80	216.19
	3,605.17	**21,656.92**	**1,964.08**	**19,531.66**
TOTAL ASSETS	**4,90,730.38**	**2,74,796.68**	**4,91,955.68**	**3,12,515.39**

(All amounts in INR lakhs, unless otherwise stated)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Within 12 months	After 12 months	Within 12 months	After 12 months
LIABILITIES AND EQUITY				
LIABILITIES				
Financial liabilities				
Payables				
Trade payables				
(i) total outstanding dues of micro enterprises and small enterprises	10.42	-	10.84	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1,268.06	-	1,130.83	-
Other payables				
(i) total outstanding dues of micro enterprises and small enterprises	172.02	-	223.90	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1,520.19	-	1,998.00	-
Debt securities	44,657.54	74,583.85	66,916.08	1,04,087.01
Borrowings (other than debt securities)	2,70,723.18	1,37,356.78	2,54,497.17	1,40,204.87
Subordinated liabilities	11,102.78	35,927.75	5,425.18	46,982.67
Other financial liabilities	27,865.61	135.67	31,738.62	37.71
	3,57,319.80	**2,48,004.05**	**3,61,940.62**	**2,91,312.26**
Non-financial liabilities				
Current tax liabilities (net)	-	-	87.90	-
Provisions	320.41	661.92	88.72	1,554.13
Other non-financial liabilities	1,033.96	1.58	866.28	4.70
	1,354.37	**663.50**	**1,042.90**	**1,558.83**
TOTAL LIABILITIES	**3,58,674.17**	**2,48,667.55**	**3,62,983.52**	**2,92,871.09**
Net equity	**1,32,056.21**	**26,129.13**	**1,28,972.16**	**19,644.30**

47. TRANSFERRED FINANCIAL ASSETS

In the course of its micro finance activity, the Parent Company transfers financial assets, where legal rights to the cash flows from the asset are passed to the counterparty and where the Parent Company retains the rights to the cash flows but assumes a responsibility to transfer them to the counterparty.

The Parent Company has securitized its loan assets to unrelated and unconsolidated entities. As per the terms of the agreements, the Parent Company is exposed to first loss default guarantee amounting in range of 12% to 20% of the amount securitized and therefore continues to be exposed to significant risk and rewards relating to the underlying mortgage receivables. Hence, these loan assets are not derecognized and proceeds received are presented as borrowings.

The following tables provide a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities:

Securitizations	As at March 31, 2022	As at March 31, 2021
Gross carrying amount of securitized assets	54,457.03	7,184.45
Gross carrying amount of associated liabilities	50,294.24	5,501.35
Carrying value and fair value of securitized assets	54,153.40	6,870.23
Carrying value and fair value of associated liabilities	50,294.24	5,501.35
Net position	**3,859.16**	**1,368.88**

(All amounts in INR lakhs, unless otherwise stated)

48. EMPLOYEE BENEFITS

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

A Defined contribution plans

Provident and other funds

The Group makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund and other funds which are defined contribution plans. the Group has no obligations other than this to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrue.

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Employers contribution to provident and other fund	3,472.89	2,696.55

B Defined benefit plans

Gratuity

The Parent Company and two of its subsidiary company has a defined benefit gratuity plan. Every employee is entitled to gratuity as per the provisions of the Payment of Gratuity Act, 1972. The scheme is funded and the scheme is managed by Life Insurance Companies. The liability of Gratuity is recognized on the basis of actuarial valuation.

Risks associated with plan provisions

Salary increases	Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
Investment risk	If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
Discount rate	Reduction in discount rate in subsequent valuations can increase the plan's liability.
Mortality & disability	Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
Withdrawals	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

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

Particulars	As at March 31, 2022	As at March 31, 2021
Present value of obligation	1,524.78	1,498.58
Fair value of plan assets	1,490.83	1,530.67
Net obligation recognized in balance sheet as non-financial assets	**33.94**	**(32.08)**

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Current service cost	276.93	271.13
Past service cost including curtailment gains/losses	(3.09)	-
Interest cost on defined benefit obligation	94.07	82.00
Interest income on plan assets	(96.24)	(93.66)
Net impact on profit/(loss) before tax	**271.68**	**259.47**

Amount recognized in the other comprehensive income:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Actuarial gain/(loss) unrecognized during the year	19.57	(111.96)

(All amounts in INR lakhs, unless otherwise stated)

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Present value of defined benefit obligation as at the beginning of year	1,498.59	1,311.89
Current service cost	276.93	271.13
Interest cost	101.31	88.68
Past service cost including curtailment gains/losses	(3.09)	-
Benefits paid	(348.23)	(227.05)
Actuarial loss/(gain) on obligation	-	-
Actuarial (gain)/loss on arising from change in demographic assumption	(57.23)	-
Actuarial (gain)/loss on arising from change in financial assumption	(17.00)	1.77
Actuarial loss on arising from experience adjustment	73.51	52.17
Present value of defined benefit obligation as at the end of the year	**1,524.78**	**1,498.59**

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

Particulars	As at March 31, 2022	As at March 31, 2021
Funds managed by Insurers	100%	100%
Total	**100%**	**100%**

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Fair value of plan assets at beginning of year	1,530.67	1,484.39
Actual return on plan assets	119.23	107.30
Employer's contribution	189.16	231.00
Fund management charges	-	(64.97)
Benefits paid	(348.23)	(227.05)
Fair value of plan assets at the end of the year	**1,490.83**	**1,530.67**

(vi) Actuarial assumptions

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Discounting rate	7.26%	6.76%
Future salary increase	4.00% - 8.00%	4.00% - 8.00%
Retirement age (years)	58 - 60	58 - 60
Withdrawal rate		
Up to 30 years	56.21% - 5.00%	56.21% - 5.00%
From 31 to 44 years	43.75% - 3.00%	43.75% - 3.00%
Above 44 years	50.00% - 0.28%	50.00% - 0.00%
Weighted average duration	1.36 - 18.00	1.36 - 17.58

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

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

(vii) Sensitivity analysis for gratuity liability

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Impact of the change in discount rate		
Present value of obligation at the end of the year	1,524.78	1,498.59
- Impact due to increase of 0.50 %	(34.30)	(17.43)
- Impact due to decrease of 0.50 %	36.57	18.01
Impact of the change in salary increase		
Present value of obligation at the end of the year	1,524.78	1,498.59
- Impact due to increase of 0.50 %	37.52	18.36
- Impact due to decrease of 0.50 %	(35.45)	(17.94)

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.

(All amounts in INR lakhs, unless otherwise stated)

(viii) Maturity profile of defined benefit obligation (discounted)

year	As at March 31, 2022 Amount	As at March 31, 2021 Amount
0 to 1 year	431.91	540.52
1 to 2 year	191.80	296.01
2 to 3 year	143.54	197.08
3 to 4 year	105.93	130.51
4 to 5 year	79.23	83.42
5 to 6 year	113.21	54.06
6 year onwards	459.15	196.99
Total	**1,524.78**	**1,498.59**

49. RELATED PARTY DISCLOSURES

A List of related parties and disclosures

Key managerial personnel and their relatives:

Name of key managerial personnel	Designation	Relatives
Mr Harvinder Pal Singh	Chairman cum Managing Director	Mr Satvinder Singh Mrs Anureet H P Singh Mrs Ashna Pruthi
Mr Jugal Kataria (w.e.f. January 13, 2020)	Group Controller	
Mr Krishan Gopal (W.e.f. January 13, 2020 to December 12, 2020)	Chief Financial Officer	
Mr Rakesh Sachdeva (W.e.f. December 13, 2020)	Chief Financial Officer	
Mr Adhish Swaroop (W.e.f. October 14, 2019 to May 11, 2021)"	Company Secretary and Compliance Officer	
Mr Vipul Sharma (W.e.f. May 12, 2021)	Company Secretary and Compliance Officer	
Mr Satvinder Singh	Non-Executive and Non-Independent Director	
Mr Rakesh Sachdeva (Till November 4, 2020)	Non-Executive and Independent Director	
Mr Sundeep Kumar Mehta	Non-Executive and Independent Director	
Mr Sanjay Kumar Bhatia	Non-Executive and Independent Director	
Mr Anil Kumar Kalra	Non-Executive and Independent Director	
Mr Arthur Sletteberg (Till May 30, 2020)	Nominee Director	
Mr Chrisitan Bernhard Ramm (W.e.f. May 30, 2020)	Nominee Director	
Mr Goh Colin	Non-Executive and Independent Director	
Mrs Sangeeta Khorana	Non-Executive and Independent Director	
Mr Rajeev Kakar (w.e.f. June 06, 2019 to April 30, 2020)	Nominee Director	
Mrs Ashna Pruthi (w.e.f. November 5, 2020 to January 6, 2021)	General Manager - Legal	
Taraashna Financial Services Limited		
Mr Abhay Thakkar (till April 10, 2020)	Chief Financial Officer	
Mr Rahul Garg (w.e.f. June 03, 2020)	Chief Financial Officer	
Mr Manoj Kumar Jasoria (w.e.f. October 25, 2019 till 31st January 2022)	Company secretary and Compliance officer	
Mr Partha Sengupta (w.e.f. October 14, 2019 till February 10, 2021)	Chief Executive Officer & Whole Time Director	
Partha Mukherjee (w.e.f. February 11, 2021)	Chief Executive Officer & Whole Time Director	
Satin Housing Finance Limited		
Mr Sachin Sharma	Chief Financial Officer	
Prince Kumar (w.e.f. April 1, 2019)	Company secretary and Compliance officer	
Mr Amit Sharma	Managing Director and Chief Executive Officer	
Satin Finserv Limited		
Mr Jitendra Jain (till May 31, 2021)	Chief Financial Officer	
Mr Arjun Bansal (w.e.f. June 15, 2021)	Chief Financial Officer	
Mrs Bhanu Priya (till March 30, 2021)	Company secretary and Compliance officer	
Mr Puneet Jolly (w.e.f. March 31, 2021)	Company secretary and Compliance officer	
Mr Sumit Mukherjee	Director & Chief Executive Officer	

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

Satin Neo Dimensions Private Limited

Niryas Food Products Private Limited

(All amounts in INR lakhs, unless otherwise stated)

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

Name of related party	Nature of transaction	For the year ended March 31, 2022	For the year ended March 31, 2021
Mr Harvinder Pal Singh	Remuneration	140.32	136.72
	Provident fund and others	14.39	17.99
	Personal guarantees given	14,950.00	-
Mr Satvinder Singh	Personal guarantees given	-	30,000.00
	Personal guarantees withdrawn	20,000.00	-
Mr Harvinder Pal Singh and Mr Satvinder Singh	Personal guarantees given (jointly)	-	-
	Personal guarantees withdrawn (jointly)	31,618.74	6,410.55
Mr Jugal Kataria	Remuneration	132.89	95.76
Mr Rakesh Sachdeva	Remuneration	74.18	30.88
Mr Krishan Gopal	Remuneration	-	40.84
Mr Adhish Swaproop	Remuneration	3.10	25.03
Mr Vipul Sharma	'Remuneration	17.74	-
Mrs Ashna Pruthi	Remuneration	-	2.58
Mr Partha Sengupta (w.e.f. October 14, 2019 till February 10, 2021)	Remuneration	-	45.27
Mr Partha Mukherjee (w.e.f. February 11, 2021)	Remuneration	39.69	6.26
Mr Abhay Thakkar (till April 10, 2020)	Remuneration	-	0.32
Mr Rahul Garg (w.e.f. June 03, 2020)	Remuneration	18.06	11.14
Mr Manoj Kumar Jasoria (w.e.f. October 25, 2019 till 31st January 2022)	Remuneration	7.94	8.09
Mr Amit Sharma	Remuneration	81.50	57.60
Mr Sachin Sharma	Remuneration	34.55	23.98
Mr Prince Kumar	Remuneration	11.26	8.53
Mr Sumit Mukherjee	Remuneration	96.92	70.00
Mr Arjun Bansal	Remuneration	16.63	-
Mr Puneet Jolly	Remuneration	13.00	0.84
Mr Jitendra Jain	Remuneration	5.26	23.56
Mrs Bhanu Priya	Remuneration	-	7.31
Mr Satvinder Singh	Sitting fees	6.00	5.75
Mr Rakesh Sachdeva	Sitting fees	-	4.05
Mr Sundeep Kumar Mehta	Sitting fees	9.10	7.70
Mrs Sangeeta Khorana	Sitting fees	3.70	4.40
Mr Goh Colin	Sitting fees	5.80	3.90
Mr Sanjay Kumar Bhatia	Sitting fees	6.10	5.50
Mr Anil Kumar Kalra	Sitting fees	6.50	4.15
Satin Neo Dimensions Private Limited	Interest income	41.92	28.64
	Inter corporate loan given	-	150.00
	Inter corporate loan received back	70.44	31.11
	Repayment of security deposit	-	4.00
	Purchase of property, plant & equipment (WIP)	18.44	207.66
Niryas Food Products Private Limited	Rent received	1.98	5.80

(All amounts in INR lakhs, unless otherwise stated)

C Key management personnel compensation includes the following expenses:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Short-term employee benefits	707.43	610.12
Post employment benefits	18.72	17.28
Other long-term benefits	(34.16)	22.81
Share based payment	(33.09)	(11.88)

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

Name of related party	Nature of balance	As at March 31, 2022	As at March 31, 2021
Mr Satvinder Singh	Personal guarantees against borrowings^	10,000.00	30,000.00
Mr Harvinder Pal Singh	Personal guarantees against borrowings^	14,961.31	-
Mr Harvinder Pal Singh and Mr Satvinder Singh	Personal guarantees (jointly) against borrowings^	1,26,236.76	1,57,405.55
Mr Goh Colin	Sitting fees	1.20	0.34
Satin Neo Dimensions Private Limited	Inter corporate loan*	182.57	253.00
	Other Payable	-	27.52
	Interest accrued	2.79	3.86
Niryas Food Products Private Limited	Security deposit payable	-	0.34

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

* During the financial year 2020-21, Inter corporate loan includes interest capitalization on moratorium

50. LEASES DISCLOSURE AS LESSEE

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

March 31, 2022

Right-of use assets	No of right-of use assets leased	Range of remaining	Average remaining	No of leases with	No of leases with purchase	No of leases with variable payments	No of leases with termination options
Office building	106	1 Months-78 Months	7 Months-46 Months	106.00	-	-	106

March 31, 2021

Right-of use assets	No of right-of use assets leased	Range of remaining term	Average remaining lease term	No of leases with extension options	No of leases with purchase options	No of leases with variable payments linked to an index	No of leases with termination options
Office building	105	8 Months-90 Months	9 Months-35 Months	105	-	-	105

2 Additional information on the Right-Of-Use assets by class of assets is as follows:

March 31, 2022

Right-of use assets	Carrying amount as on April 1, 2021	Additions	Depreciation	Impairment	Carrying amount as on March 31, 2022
Office building	785.44	137.59	289.72	13.66	619.65

(All amounts in INR lakhs, unless otherwise stated)

March 31, 2021

Right-of use assets	Carrying amount as on April 1, 2020	Additions	Depreciation	Impairment	Carrying amount as on March 31, 2021
Office building	1,032.40	213.56	401.38	59.14	785.44

Note: The right-of-use assets are included in the same line item as where the corresponding underlying assets would be presented if they were owned.

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

Particulars	As at March 31, 2022	As at March 31, 2021
Current	250.95	254.57
Non-current	477.71	623.16
Total	**728.66**	**877.73**

4 At March 31, 2022 the Group had not committed to leases which had not commenced.

5 The undiscounted maturity analysis of lease liabilities is as follows:

March 31, 2022

Particulars	Less than 1 year	1-2 year	2-3 year	More than 3 years
Lease payments	316.29	238.39	147.08	181.06
Finance charges	65.34	40.01	25.27	23.54
Net present values	**250.95**	**198.38**	**121.81**	**157.52**

March 31, 2021

Particulars	Less than 1 year	1-2 year	2-3 year	More than 3 years
Lease payments	335.83	271.22	216.51	265.26
Finance charges	81.26	55.40	35.81	38.62
Net present values	**254.57**	**215.82**	**180.70**	**226.64**

6 The Group has elected not to recognize 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 recognized as lease liabilities and are expensed as incurred.

7 The Group had total cash outflows for leases of INR 2074.13 lakhs in March 31, 2022 (March 31, 2021: 2142.73 lakhs).

The following are the amounts recognized in profit or loss:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation expense of right-of-use assets	331.62	401.38
Interest expense on lease liabilities	87.66	99.40
Expense relating to short-term leases (included in other expenses)	1,661.98	1,692.12
Total amount recognized in profit or loss	**2,081.26**	**2,192.90**

The Group had lease contracts for office buildings used in its operations. Leases of these buildings generally have lease terms between 1 and 9 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets. There are several lease contracts that include extension and termination options, which are further discussed below.

The Group 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 Group's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

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

The Group does not anticipate any material leases to be terminated in next three years or beyond that.

(All amounts in INR lakhs, unless otherwise stated)

Operating leases

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

Office premises and generator

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Short term leases	1,923.90	1,992.41

Particulars	As at March 31, 2022	As at March 31, 2021
Minimum lease obligations:		
- within one year	12.63	65.38
- Later than one year but not later than five years	-	9.30
- Later than five years	-	-

51. SEGMENT INFORMATION

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

52. CONTINGENT LIABILITIES AND COMMITMENTS:

(to the extent not provided for)

The Parent Company has received income tax notice under section 143(3) of the "Income Tax Act 1961" dated Apr 05, 2021 for tax demand amounting to INR 194.63 lakhs on account of disallowance of expenses under section 43B and 36(1)(va) for assessment year 2018-19. In response to such notice, the Parent Company has filled appeal with CIT (A) and the same is pending for hearing.

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Estimated amount of contract remaining to be executed on capital account and not provided for	57.14	242.83
The Group has undrawn exposure towards borrowers	1,417.67	1,862.91
Total	**1,474.81**	**2,105.74**

52A. ASSETS PLEDGED/HYPOTHECATED AS SECURITY

The carrying amounts of assets pledged/hypothecated as security are:

Particulars	As at March 31, 2022	As at March 31, 2021
Loan assets	4,09,913.97	4,98,139.94
Vehicles	117.08	95.47
Buildings	151.36	159.11
Total assets pledged as security	**4,10,182.41**	**4,98,394.52**

53. IMPACT OF COVID-19 PANDEMIC

The COVID-19 pandemic has continued to cause a disruption of the economic activities across the globe including India throughout the year. The Government of India announced a lockdown during the first quarter of there financial year to contain the spread of the virus and various state governments and local statutory authorities imposed restrictions on economic activities in different parts of the country which continued to impact Company's operations including lending and collection activities.

In assessing the impairment allowance for loan portfolio, the Group has considered internal and external sources of information available including indicators of deterioration in the macro-economic factors. Further, the management has estimated the impact of the ongoing wave of the pandemic on its loan portfolio, based on reasonable and supportable information available till date and considering performance after the all the three waves of Covid, and has noted that the existing provisioning levels are adequate to cover any further delinquencies. Given the unique nature and scale of this pandemic, its full extent of impact on the Group's operations and financial metrics, more specifically on the borrower's ability to service their obligations on a timely basis, will depend on the severity and duration of the pandemic as well as on highly uncertain future developments including governmental and regulatory measures and the Group's responses thereto. Accordingly, the management's estimate of impairment losses based on various variables and assumptions could result in actual credit loss being different than that being estimated.

The Group has assessed the impact of the pandemic on its liquidity and ability to repay its obligations as and when they are due. The Group has considered its current liquidity position, expected inflows from various sources of borrowings and stimulus packages announced by the Government of India. Based on the foregoing, management believes that the Group will be able to pay its obligations as and when these become due in the foreseeable future. The impact of the pandemic on the operations of the Group is significantly dependent on uncertain future economic conditions.

i. Estimation of uncertainties relating to the global health pandemic from COVID-19:

The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, investments, property plant and equipment and intangible assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Group, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts and consensus estimates from market sources on the expected future performance of the Group. Given the dynamic nature of the pandemic situation, these estimates are based on early indicators, subject to uncertainty and may be affected by the severity and duration of the pandemic and the actual impact of the pandemic, including governmental and regulatory measures, on the business and financial metrics of the Group (including credit losses) could be different from that estimated by the Group.

ii. Expected credit loss (ECL) allowance on loan portfolio

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

During the year ended as at March 31, 2022, Group has restructured certain loans (both JLG and MSME) in accordance with board approved restructuring policy dated May 27, 2021 and RBI circular RBI/2021-22/31 DOR. STR.REC.11/21.04.048/2021-22 dated May 5, 2021. Therefore the Group has considered these loans for significant increase in credit risk assessment, accordingly, the Group has made additional ECL on these restructured loans on account of SICR provisioning to the tune of INR 17,384.17 lakhs on said restructured loans. Considering the unique and widespread impact of COVID-19 pandemic, the Group has estimated expected credit loss allowance in its provision, based on information available at this point in time to reflect, among other things, the deterioration in the macro-economic factors.

iii. Loss allowance for other receivables

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

iv. Revenue from operations

The Group has evaluated the impact of COVID – 19. Due to the nature of the pandemic, the Group will continue to monitor developments to identify significant uncertainties relating to revenue in future periods.

(All amounts in INR lakhs, unless otherwise stated)

v. Impairment assessment of Property plant and equipment, intangible assets

The Group is engaged primarily in providing micro finance services to women in the rural areas of India who are enrolled as members and organized as Joint Liability Groups ('JLG'). Considering the nature of business the Group does not have major PP&E assets. As at March 31, 2022, the estimated recoverable amount of the CGU exceeded its carrying amount. Reasonable sensitivities in key assumptions consequent to the change in estimated future economic conditions on account of possible effects relating to Covid 19 is unlikely to cause the carrying amount to exceed the recoverable amount of the cash generating unit.

vi. Credit risk on cash and cash equivalents

Credit risk on cash and cash equivalents is limited as the Group generally invest in deposits with banks, commercial papers and certificate of deposits of financial institutions with high ratings assigned by international and domestic credit rating agencies. Ratings and Financials of the counterparties are monitored periodically. The Group reviews the portfolio on regular basis. Current liquidity position and necessary stress tests considering various scenarios, management is confident that the Group will be able to fulfil its obligations as and when these become due in the foreseeable future.

54. RECENT ACCOUNTING PRONOUNCEMENTS:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 01, 2022, as below:

Ind AS 103 "Business Combination"

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Group does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 - Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the Company is preparing the asset for its intended use. Instead, an entity will recognize such sales proceeds and related cost in profit or loss. The Group does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets"

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labor, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Group does not expect the amendment to have any impact in its financial statements.

Ind AS 109 "Financial Instruments"

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognize a financial liability. The Group does not expect the amendment to have any significant impact in its financial statements.

55. INTEREST IN OTHER ENTITIES

Subsidiaries

Name of entities	Country of incorporation	Functional currency	Ownership interest held by the Group		Principal activities
			As at March 31, 2022	As at March 31, 2021	
Taraashna Financial Services Limited	India	INR	100.00%	100.00%	Business correspondent
Satin Housing Finance Limited	India	INR	100.00%	100.00%	Financing
Satin Finserv Limited	India	INR	100.00%	100.00%	Financing

Subsidiary with material non-controlling interests (NCI)

No subsidiary company has non-controlling interests that are material to the group for the year ended March 31, 2022 and March 31, 2021.

(All amounts in INR lakhs, unless otherwise stated)

56. ADDITIONAL INFORMATION IN PURSUANT TO SCHEDULE III OF THE COMPANIES ACT, 2013

Name of the entity in the group	Net assets (total assets minus total liabilities)		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit and loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent Company								
Satin Creditcare Network Limited	101.54%	1,60,624.83	194.33%	4,022.51	100.22%	(2,921.73)	-130.21%	1,100.78
Indian subsidiaries								
Taraashna Financial Services Limited	1.51%	2,391.91	-106.13%	(2,196.79)	-0.14%	4.01	259.37%	(2,192.78)
Satin Housing Finance Limited	6.40%	10,123.87	14.68%	303.76	-0.01%	0.18	-35.95%	303.94
Satin Finserv Limited	6.85%	10,829.32	8.74%	180.95	-0.08%	2.23	-21.67%	183.18
Elimination	-16.30%	(25,784.60)	-11.62%	(240.54)	-	-	28.45%	(240.54)
Total	**100.00%**	**1,58,185.34**	**100.00%**	**2,069.89**	**100.00%**	**(2,915.31)**	**100.00%**	**(845.42)**

57. EMPLOYEE STOCK OPTION PLAN / SCHEME (ESOP/ ESOS)

Pursuant to the approval accorded by Shareholders of Satin Creditcare Network Limited ('Parent Company") at their Annual General Meeting held on July 6, 2017, the Nomination and Remuneration Committee of the Parent Company formulated a new scheme 'Satin Employee Stock Option Scheme 2017' (ESOS 2017) in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (or any amendment thereto or any other provisions as may be applicable). ESOS is applicable to all permanent and full-time employees (as defined in the Plan), excluding Promoters of the Parent Company. The eligibility of employees to receive grants under the Plan has to be decided by the Nomination and Remuneration Committee from time to time at its sole discretion. Vesting of the options and vesting period shall take place in the manner determined by the Nomination and Remuneration Committee at the time of grant. Vesting of options shall be subject to the condition that the Grantee shall be in continuous employment with the Parent Company and such other conditions as provided under ESOS 2017. The Exercise Price of each grant is determined by the Nomination and Remuneration Committee at the time of grant.

Presently, stock options have been granted or shares have been issued under the following scheme:

A. Satin Employee Stock Option Scheme 2009 (ESOS 2009)

B. Satin Employee Stock Option Scheme 2017 (ESOS 2017)

a) Employee stock option schemes:

ESOS 2009: Initially 425,000 equity shares of INR 10/- each at a premium of INR 10/- each were allotted to Satin Employees Welfare Trust on November 27, 2009. (This scheme was terminated vide Shareholders Resolution dated July 6, 2017)

Details of grant and exercise of such options are as follows::

Particulars	Grant – 1 of ESOS 2009			Grant – 2 of ESOS 2009			Grant – 3 of ESOS 2009		
No. of options granted	1,50,000			98,300			87,900		
Date of grant of options	January 12, 2010			December 2, 2013			December 2, 2016		
No. of employee to whom such options were granted	2			29			36		
Financial year (F.Y.)	2010-11	2011-12	2012-13	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
No. of employees who have exercised the option	2	2	2	25	23	23	22	18	15
No. of options exercised	50,000	50,000	50,000	25,824	22,633	27,243	21,100	19,300	13,300

Note: There was NIL options vested in 2013-14.

(All amounts in INR lakhs, unless otherwise stated)

Satin ESOP 2010: 100,000 equity shares of INR 10/- each at a premium of INR 12/- were allotted to Satin Employees Welfare Trust on June 22, 2010 (The scheme was terminated vide Shareholders Resolution dated July 6, 2017 and the outstanding options were transferred to Satin ESOS 2017).

Satin ESOP II 2010: 150,000 equity shares of INR 10/- each at a premium of INR 15/- were allotted to Satin Employees Welfare Trust on April 21, 2011 (The scheme was terminated vide Shareholders Resolution dated July 6, 2017 and the outstanding options were transferred to Satin ESOS 2017).

ESOS Scheme 2017: All options not exceeding 3,61,400 representing 0.96% of the paid-up Capital of the Parent Company as on March 31, 2017 (or such other adjusted figure for any bonus, stock splits or consolidations or other reorganization of the capital structure of the Parent Company as may be applicable from time to time including the shares lying with the Trust that may remain unutilized pursuant to non-exercisability of options granted under Satin ESOS 2009, 2010 (I) and 2010 (II), to or for the benefit of permanent employees of the Parent Company and its subsidiaries whether working in India or outside India. The said ESOS Scheme, 2017 were approved in twenty seventh Annual General Meeting of the Parent Company held on July 6. 2017.

Details of grant and exercise of such options are as follows:

Particulars	Grant – 1 of ESOS 2017			Grant – 2 of ESOS 2017		
No. of options granted	1,45,200			2,26,600		
Date of grant of options	August 14, 2017			May 30, 2018		
No. of employee to whom such options were granted	57			35		
Financial year (F.Y.)	2018-19	2019-20	2020-21	2019-20	2020-21	2021-22
No. of employees who have exercised the option	18	27	-	13	-	NA
No. of options exercised	12,200	13,500	-	20,950	-	NA

b) The Parent Company has provided following share based options to its employees:

Particulars	ESOS 2009	ESOS 2017
Date of grant	January 12, 2010, December 2, 2013 and December 2, 2016	August 14, 2017 and May 30, 2018
Date of board meeting, where ESOP/ESOS were approved	November 27, 2009	May 26, 2017
Date of committee meeting where grant of options were approved	January 12, 2010 November 12, 2013 and November 09, 2016	August 14, 2017 and May 30, 2018
Date of shareholders' approval	June 1, 2009	July 06, 2017
No. of options granted	336,200 out of 425,000	3,71,800
Method of settlement	Equity	Share/Cashless route
Vesting conditions	The actual vesting of options will depend on continuation to hold the services being provided to the Parent Company at the time of exercise of options and such other conditions as mentioned in the ESOS Scheme.	The actual vesting of options will depend on continuation to hold the services being provided to the Parent Company at the time of exercise of options and such other conditions as mentioned in the ESOS Scheme, 2017.
Vesting period	Option will be vested at the end of year 1 – 33.33% end of year 2 – 33.33% end of year 3 – 33.34% end of year Subject to lock in period of one year from the date of transfer of shares and other terms as stipulated in the Scheme and prescribed under the law in force.	Grant 1 of ESOS 2017 Option will be vested at the end of year 1 – 33.33% end of year 2 – 33.33% end of year 3 – 33.34% end of year Grant 2 of ESOS 2017 Option will be vested at the end of year 1 – 50% end of year 2 – 50% end of year
Exercise period	It shall commence from the date of vesting of options and expire not later than 2 months from the vesting date of each grant of options	It shall commence from the date of vesting of options and expire not later than 1 Year from the vesting date of each grant of options

Note: ESOS 2009 scheme was repealed in terms of Resolution passed by the Shareholders at their meeting held on July 6, 2017.

(All amounts in INR lakhs, unless otherwise stated)

Details of Vesting and Exercise of Options (ESOS 2009):

Vesting Date	Vested options	No of options exercised
January 12, 2011	50,000	50,000
January 12, 2012	50,000	50,000
January 12, 2013	50,000	50,000
December 2, 2014	29,090	25,824
December 2, 2015	29,100	22,633
December 2, 2016	29,110	27,243
December 2, 2017	22,300	21,100
December 2, 2018	19,300	19,300
December 2, 2019	13,300	13,300

Details of Vesting and Exercise of Options (Grant 1 of ESOS 2017):

Vesting Date	Vested options	No of options exercised
August 14, 2018	21,400	12,200
August 14, 2019	15,800	13,500
August 14, 2020*	11,400	-

* These options are available for exercise till August 13, 2021

Details of Vesting and Exercise of Options (Grant 2 of ESOS 2017):

Vesting Date	Vested options	No of options exercised
May 30 2019	1,05,050	20,950
May 30 2020	96,850	-

* These options are available for exercise till August 13, 2021

i) The details of ESOS 2009 are summarized below:

Particulars	As at March 31, 2022		As at March 31, 2021	
	ESOS 2009		ESOS 2009	
	No. of options	Weighted average exercise price	No. of options	Weighted average exercise price
Outstanding options at the beginning of the year*	-	-	-	-
Exercised during the year	-	-	-	-
Number of shares arising as a result of exercise of options	-	-	-	-
Expired/ lapsed during the year	-	-	-	-
Options shifted to new ESOS Scheme 2017	-	-	-	-
Exercisable at the end of the year	-	-	-	-
Weighted average remaining contractual life (in years) of the option exercisable	-	-	-	-
Weighted average fair value of the options exercisable at grant date		420.75		420.75
Loan repaid by the Trust during the year from exercise price received (amount in lakhs)	-	-	-	-

* Being ESOS 2009 doesn't exist as of March 31, 2022, the above reporting has been made for the options granted earlier.

(ii) Weighted average exercise price of share (fair market value) during the year ended March 31, 2022: NA (March 31, 2021: NA)

(All amounts in INR lakhs, unless otherwise stated)

iii) The details of ESOS Scheme 2017 are summarized below:

Particulars	As at March 31, 2022		As at March 31, 2021	
	ESOS 2017		ESOS 2017	
	No. of options	Weighted average exercise price	No. of options	Weighted average exercise price
Outstanding options at the beginning of the year	79,300	At a discount/ premium on fair value	1,49,150	At a discount/ premium on fair value
Granted during the year#	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	160	-	160
Number of shares arising as a result of exercise of options	-	160	-	160
Expired/ lapsed during the year under ESOS Scheme, 2017	79,300	160	1,20,500	160
Options expired/ lapsed under earlier ESOP Scheme's (adjusted)*	-	-	-	-
Outstanding options at the end of the year	-	-	2,69,500	-
Exercisable at the end of the year	-	-	79,300	160
Weighted average remaining contractual life (in years) of the option exercisable	-	-	-	0.19
Weighted average fair value of the options exercisable at grant date	Grant -1	-	Grant -1	166.98
	Grant -2	-	Grant -2	254.54
Loan repaid by the Trust during the year from exercise price received (amount in lakhs)		-		-

* Outstanding Options of previous ESOS schemes has been transferred to new ESOS scheme 2017

iv) Weighted average exercise price (fair market value) of share during the year ended March 31, 2022: NA (March 31, 2021: NA).

The detail of exercise price for stock option at the end of the financial year 2021-2022 is:

Series	Range of exercise price	No. of options outstanding for Exercise	Weighted average remaining contractual life of options (in years)	Weighted average exercise price	Remarks
Grant-3 ESOS 2009	20/- per option	-	-	20	Scheme Repealed
Grant-1 ESOS Scheme 2017	160/- per option	-	0.00	160	New Scheme
Grant-2 ESOS Scheme 2017	160/- per option	-	0.00	160	New Scheme

v) Employee wise details (name of employee, designation, number of options granted during the year, exercise price) - NIL*

*There was no grant this year, however Outstanding Grants has been adjusted due to rights issue. Further Grant for Rights Issue can be exercise only along with exercise of Original Grant

There is no identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Parent Company at the time of grant.

(All amounts in INR lakhs, unless otherwise stated)

vi) The fair value of the options granted is determined on the date of the grant using the "Black-Scholes option pricing model" with the following assumptions, as certified by an independent valuer:

Particulars	Grant 3 ESOS 2009	Grant 1 ESOS 2017			Grant 2 ESOS 2017	
	3rd tranche of vesting	1st tranche of vesting	2nd tranche of vesting	3rd tranche of vesting	1st tranche of vesting	2nd tranche of vesting
Date of grant	**December 2, 2016**	**August 14, 2017**	**August 14, 2017**	**August 14, 2017**	**May 30, 2018**	**May 30, 2018**
Fair market value of option on the date of grant	438.40	267.38	267.38	267.38	386.65	386.65
Exercise price	20.00	160.00	160.00	160.00	160.00	160.00
Expected volatility (%)	60.39%	55.86%	62.90%	62.90%	45.31%	53.94%
Expected option life (weighted average)	3.08	1.50	2.50	3.50	1.50	2.50
Expected dividends yield	-	-	-	-	-	-
Risk free interest rate (%)	6.03%	6.35%	6.40%	6.45%	7.53%	7.66%

The expected volatility was determined based on historical volatility data of the Parent Company's shares listed on the National Stock Exchange of India Limited.

vii) The Parent Company has recognised share based payment expense of INR NIL (March 31, 2021: Nil) during the year as proportionate cost.

viii) The Parent Company has INR 169.69 lakhs (March 31, 2021: INR 79.69 lakhs) recoverable from Satin Employees Welfare Trust pursuant to ESOP schemes.

58. ADDITIONAL INFORMATION PURSUANT TO MINISTRY OF CORPORATE AFFAIRS NOTIFICATION DATED MARCH 24, 2021 WITH RESPECT TO AMENDMENTS IN SCHEDULE III OF COMPANIES ACT, 2013

(i) All the borrowings of the group are used for the specific purpose for which it was taken.

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

(iii) No company in the group is a wilful defaulter as declared by any bank or financial Institution or any other lender.

(iv) The group does not have any transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.

(v) The group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

(vi) With respect to companies in the Group, there are no transactions which are not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(vii) The group has not traded or invested in Crypto currency or Virtual Currency during the year.

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

Naveen Aggarwal
Partner
Membership Number: 094380

Place : New Delhi
Date : May 04, 2022

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

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

Satvinder Singh
(Director)
DIN: 00332521
Place : Gurugram

Sanjay Kumar Bhatia
(Chairman Audit Committee cum Director)
DIN: 07033027
Place : Gurugram

Vipul Sharma
(Company Secretary & Compliance Officer)
Membership Number: A27737

Rakesh Sachdeva
(Chief Financial Officer)
Place : Gurugram

Place : Gurugram
Date : May 04, 2022

(All amounts in INR lakhs, unless otherwise stated)

Form AOC - 1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries

Part- A Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹ lakhs)

S.No.	1	2	3
Name of Subsidiary	**Taraashna Financial Services Limited**	**Satin Housing Finance Limited**	**Satin Finserv Limited**
The date since when subsidiary was acquired	September 01, 2016	April 17, 2017	August 10, 2018
Reporting period for the subsidiary concerned, if different from the Parent Company's reporting period :-	Not Applicable	Not Applicable	Not Applicable
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries :-	Not Applicable	Not Applicable	Not Applicable
Share capital	1,604.00	10,000.00	10,250.00
Other equity	787.91	123.87	579.32
Total assets	7,942.93	31,551.73	18,725.29
Total Liabilities	5,551.02	21,427.86	7,895.97
Investments	Nil	Nil	Nil
Revenue	6,971.66	3,804.37	2,758.29
Profit /(loss) before taxation	(2,973.76)	426.09	270.04
Tax expenses	(776.97)	122.33	89.09
Profit /(loss) after taxation	(2,196.79)	303.76	180.95
Other comprehensive income	4.01	0.18	2.23
Total comprehensive income	(2,192.78)	303.94	183.18
Proposed dividend	Nil	Nil	Nil
Extent of shareholding (in percentage)	100%	100%	100%

i) Names of subsidiaries which are yet to commence operations: N.A.

ii) Names of subsidiaries which have been liquidated or sold during the year - N.A.

Independent Auditor's Report

To the Members of
Satin Creditcare Network Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Satin Creditcare Network Limited** (the "Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023 and its profit & other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone financial statements.

Key Audit Matter	Auditor's Response
Use of information processing system for accounting and financial reporting The Company is operating in Financial Services Sector, where in due to large volume processing, the accounting & reporting of financial information is reliant on information processing systems and Information Technology (IT) backed internal controls. The controls implemented by the Company in its IT environment determine the integrity, accuracy, completeness and validity of data that is processed by the applications and is ultimately used for financial reporting. Since our audit strategy included focus on entity's information processing systems relevant to our audit due to their pervasive impact on the standalone financial statements, we have determined the use of information processing system for accounting and financial reporting as a key audit matter for the current year audit.	**Principal Audit Procedures** Our key audit procedures on this matter included, but were not limited, to the following: (a) obtained an understanding of the Company's information processing systems, IT General Controls and automated IT controls for applications, databases and operating systems relevant to our audit; (b) Performance of the following procedures: i. tested the IT General Controls around user access management, system change management, and IT operational controls along with segregation of duties around program maintenance, security administration and over key financial accounting and reporting processes; ii. tested the design and operating effectiveness of the Company's periodic review of access rights. We also tested requests of changes to systems for approval and authorization; and iii. tested the automated controls like interfaces and information generated by the entity's information processing systems for loans, interest income and other significant financial statement items.

<table>
<tr><th>Key Audit Matter</th><th>Auditor’s Response</th></tr>
<tr><td></td><td>iv. in addition to the above, we tested the design and operating effectiveness of certain automated controls that were considered as key internal controls over financial reporting

(c) obtained written representations from management and those charged with governance on whether IT general controls and automated IT controls are designed and were operating effectively during the period covered by our audit.</td></tr>
<tr><td>Impairment of Financial Assets as at Balance Sheet date (Expected Credit losses on loans)

[Refer Note No. 3(k) for the accounting policy and Note No. 44 for the related disclosures]

As at March 31, 2023, the Company has financial assets (loans) amounting to ₹ 5,68,421.19 lakhs including loans which are carried at fair value through other comprehensive income amounting to ₹ 3,71,636.22 lakhs. As per Ind AS 109 - Financial Instruments, the Company is required to recognize loss allowance for expected credit losses (ECL) on financial assets.

ECL involves an estimation of probability weighted loss on financial instruments over their life, considering reasonable and supportable information about past events, current conditions and forecasts of future economic conditions which could impact the credit quality of the Company’s loans and advances.

ECL is calculated using the percentage of probability of default (PD), loss given default (LGD) and exposure at default (EAD) for each of the stages of loan portfolio.

ECL is measured at 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 loan assets. Significant management judgment and assumptions involved in measuring ECL is required with respect to:

• determining the criteria for a significant increase in credit risk (SICR)

• factoring in future economic assumptions

• techniques used to determine probability of default, loss given default and exposure at default.

These parameters are derived from the Company’s internally developed statistical models with the help of experts appointed by the management and other historical data.</td><td>Principal Audit Procedures

Our audit focused on assessing the appropriateness of management’s judgment and estimates used in the impairment analysis through the following procedures, but were not limited to the following procedures:

a) performed a walkthrough of the impairment loss allowance process and assessed the design effectiveness of controls;

b) read and assessed the Company’s accounting policies for impairment of financial assets and their compliance with Ind AS 109 and the governance framework approved by the Board of Directors pursuant to guidelines issued by Reserve Bank of India.

c) obtained an understanding of the model adopted by the Company including key inputs, assumptions and management overlays for calculation of expected credit losses on the assumptions and how management calculated the expected credit losses and the appropriateness of data on which the calculation is based;

d) obtained the reports of the expert appointed by the management and assessed the expert’s professional competence, independence and objectivity in developing the ECL model;

e) evaluated the appropriateness of the Company’s determination of significant increase in credit risk in accordance with the applicable Ind AS.

f) as modeling assumptions and parameters are based on historical data, we assessed whether historical experience was representative of current circumstances and was relevant in view of the recent impairment losses incurred within the portfolios;

Assessed the criteria for staging of loans based on their past due status to check compliance with requirement of Ind AS 109. Tested a sample of performing (stage 1) loans to assess whether any SICR or loss indicators were present requiring them to be classified under higher stages

g) tested the design and operating effectiveness of the key controls over completeness and accuracy of the key inputs and assumptions considered for calculation, recording and monitoring of the impairment loss recognized;

h) tested the accuracy of inputs through substantive procedures and assessed the reasonableness of the assumptions used;

i) developed a point estimate by making reference to the expected credit losses recognized by entities that carry comparable financial assets;

j) tested the arithmetical calculation of the expected credit losses;

k) assessed the appropriateness and adequacy of the related presentation and disclosures in the accompanying financial statements in accordance with the applicable Ind AS and related RBI circulars and Resolution Framework; and

l) obtained written representations from management and those charged with governance whether they believe significant assumptions used in calculation of expected credit losses are reasonable.</td></tr>
</table>

Information other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility and Sustainability Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the other information identified above, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

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

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

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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

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

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

2. As required by Section 143(3) of the Act, based on our audit we report that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

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

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

    d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.

    e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of section 164(2) of the Act.

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

    g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

        In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

        i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.

        ii. The Company has made provision, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

        iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

        iv. a. The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b. The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

c. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The Company has not declared or paid any dividend during the year and has not proposed final dividend for the year.

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

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

Naveen Aggarwal
Partner
Membership No.094380
UDIN: 23094380BGUMXX7497

Place : Gurugram
Date : April 29, 2023

Annexure “A” to the Independent Auditor’s Report

(Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Satin Creditcare Network Limited of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

i. In respect of the Company’s Property, Plant and Equipment and Intangible Assets:

a. (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.

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

b. According to the information and explanation provided to us, the Property, Plant & Equipment, Investment property and right-of-use assets have been physically verified by the management according to designed process to cover all the items once in three years, which in our opinion is reasonable having regard to the size of the Company and the nature of its Assets. The discrepancies, noticed on such physical verification had been properly dealt with in the books of account.

c. According to the information and explanation given to us and based on our examination of records, we report that, the title deeds of all immovable properties disclosed in the financial statements included under Property, Plant and Equipment (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company as at the balance sheet date except for the following property which was transferred as a result of an amalgamation of companies as stated in the Note No. 14 to the Standalone Financial Statements wherein the title deeds are in the name of the erstwhile Company.

(Amount in INR Lakhs)

Description of Property	Gross Carrying Value as on March 31, 2023	Held in the Name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in name of Company
Building	292.00	Satin Intellicomm Limited	Not Applicable	Since December 2007	The said property is in the name of Satin Intellicomm Limited, an erstwhile company that merged with the Company. However, transfer formalities are not yet completed.

d. According to the information and explanation given to us and based on our examination of records, the Company has not revalued any of its Property, Plant and Equipment (including right- of-use assets) and intangible assets during the year.

e. According to the information and explanation given to us and based on our examination of records, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii. (a) The Company does not have any inventory and hence reporting under clause 3(ii)(a) of the Order is not applicable.

(b) According to the information and explanation given to us and based on our examination of records, the Company has been sanctioned overdraft against fixed deposits in excess of five crore rupees, in aggregate, from banks or financial institutions. However, there are no covenants in the sanction letters w.r.t. furnishing the quarterly returns / statements for such sanctioned overdraft limits.

iii. According to the information and explanation given to us and based on our examination of records, the Company has made investments in, companies, firms, limited liability partnerships, and granted unsecured loans to other parties, during the year, in respect of which:

(a) Reporting under clause 3(iii)(a) of the Order is not applicable as the Company is a NBFC – MFI.

(b) In our opinion, the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and guarantees provided, during the year are, prima facie, not prejudicial to the Company’s interest.

(c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are generally been regular as per stipulation. Since, the Company is NBFC-MFI and considering the significant volume of transactions with number of borrowers furnishing the number of cases of default is practically not feasible.

(d) In respect of loans granted by the Company, the details of total amount overdue above 90 days are as follows: -

(INR in Lakhs)

Type of Loan	Nos of Cases	Principal Overdue	Interest Overdue	Total Overdue
JLG (Joint Liability Group)	2,01,349	11,973.66	2,178.25	14,151.91
MSME (Micro Small & Medium Enterprises Loans)	152	106.52	173.01	279.53
Total	**2,01,501**	**12,080.18**	**2,351.26**	**14,431.44**

Based on the information & explanations given to us, reasonable steps have been taken by the Company for the recovery of the Principal & Interest.

(e) Reporting under clause 3(iii)(e) of the Order is not applicable as the Company is a NBFC – MFI.

(f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence the reporting under clause 3(iii)(f) is not applicable.

iv. According to the information and explanations given to us, there are no transactions which are required to be reported under Section 185 of the Act, accordingly, provisions of section 185 of the Act are not applicable to the Company. However, the Company has complied with the provisions of section 186 of the Act in respect of loans granted, investments made and guarantees and securities provided, to the extent applicable.

v. According to the information and explanations given to us, during the year the Company has neither accepted any deposits from the public nor any deposits are outstanding during the year. There are no deemed deposits under the provisions of the Act and rules thereunder. Accordingly, the provisions of clause 3 (v) of the Order are not applicable to the Company.

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

vii. According to the information and explanations given to us and the records of the Company examined by us and based on the representation given by the management, in our opinion:

a. the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, employees' state insurance, income tax, goods and services tax, service tax, sales tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues as applicable, with the appropriate authorities. There were no undisputed amounts outstanding at the year-end for a period of more than six months from the date they became payable except employee provident fund where the amount involved is ₹ 54,420/-.

b. Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2023 on account of disputes are given below:

Name of the Statue	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount INR (in Lakhs)
The Income Tax Act, 1961	Income Tax	CIT (A)	AY* 2018-19	64.96
		CIT (A)	AY* 2020-21	67.35
		CIT (A)	AY* 2021-22	389.40

*AY = Assessment Year

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

ix. (a) According to the information and explanation given to us and based on our examination of records, the Company has not defaulted in repayment of loans or other borrowings or in the payment of Interest thereon to any lender and hence, reporting under clause 3(ix)(a) of the Order is not applicable.

(b) Based on the information and explanations given to us, the Company has not been declared wilful defaulter by any bank or financial institution or other lender.

(c) According to the information and explanation given to us and based on our examination of records, the Company has applied the term loans for the purpose for which the loans were obtained.

(d) According to the information and explanation given to us and based on our examination of records, funds raised on short- term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) According to the information and explanation given to us and based on our examination of records, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries. The Company is not having associate or joint venture. Accordingly, the reporting under this clause 3(ix)(e) of the Order is not applicable.

(f) According to the information and explanation given to us and based on our examination of records, the Company has not raised loans on the pledge of securities held in its subsidiaries. The Company is not having any joint ventures or associate companies during the year and hence, reporting under clause 3(ix)(f) of the Order is not applicable.

x. (a) According to the information and explanation given to us and on the basis of our examination of the records, the Company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanation given to us and based on our examination of records, during the year, the Company has made preferential allotment of shares by way of conversion of share warrants into equity shares, which is in accordance with the requirements of section 42 and section 62 of the Act read with Rule 13 of the Companies (Share Capital and Debentures) Rules, 2014 and the funds raised have been used for the purposes for which the funds were raised. The Company has not issued any convertible debentures (fully, partially or optionally convertible) during the year.

xi. (a) According to the information and explanation given to us and based on our examination of records, no fraud by the Company or on the Company has been noticed or reported during the period covered by our audit except management reported few instances of misappropriation of cash collected from customers and other forms of embezzlement of cash by the employees, involving amount aggregating to ₹ 119.92 Lakhs (net of recovery) as mentioned in Note No. 57(A)(xviii)(i) to the financial statements. As informed to us, the Company has terminated the services of such employees and also initiated legal action against them.

(b) According to the information and explanation given to us and based on our examination of records, no report under sub-section (12) of section 143 of the Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) We have taken into consideration a whistle blower complaint received by the Company during the year (and upto the date of this report), while determining the nature, timing and extent of our audit procedures.

xii. The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.

xiii. In our opinion, the Company is in compliance with sections 177 and 188 of the Act with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable Ind AS (Refer Note No. 49 to the financial statements).

xiv. (a) According to the information and explanation given to us and based on our examination of records, in our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date of our report, in determining the nature, timing and extent of our audit procedures.

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

xvi. (a) The Company was required to be registered under Section 45IA of the Reserve Bank of India Act, 1934 (2 of 1934) as a NBFC-MFI and has obtained the certificate vide no. B-14.01394 dated November 06, 2013.

(b) According to the information and explanations given to us and based on our examination of the records, the Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(c) According to the information and explanations given to us and based on our examination of the records, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India, accordingly, paragraph 3(xvi)(c) of the Order is not applicable.

(d) As per the information and explanation provided to us by the company, two companies in the group are in the process of registration as Core Investment Company under the Reserve Bank of India Act and an application regarding the same has been submitted with the RBI on March 29, 2023.

xvii. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year, accordingly, reporting under clause 3(xviii) of the Order is not applicable.

xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. There are no unspent amounts towards Corporate Social Responsibility (CSR) on ongoing or other than ongoing projects requiring a transfer to a Fund specified in Schedule VII of the Act in compliance with second proviso to sub-section (5) of section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) and 3(xx)(b) of the Order is not applicable for the year.

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

Naveen Aggarwal
Partner
Membership No.094380
UDIN: 23094380BGUMXX7497

Place : Gurugram
Date : April 29, 2023

Annexure "B" to the Independent Auditor's Report

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Satin Creditcare Network Limited of even date)

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of sub- section 3 of Section 143 of the Companies Act, 2013 (the "Act")

We have audited the internal financial controls with reference to financial statements of Satin Creditcare Network Limited (the "Company") as of March 31, 2023 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to the financial statements.

Meaning of Internal Financial Controls with reference to the financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to the financial statements

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

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

Naveen Aggarwal
Partner
Membership No.094380
UDIN: 23094380BGUMXX7497
Place: Gurugram
Date : April 29, 2023

Standalone Balance Sheet

as at March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
Financial assets			
Cash and cash equivalents	4	21,335.16	104,900.58
Bank balances other than cash and cash equivalents	5	81,540.28	86,565.38
Derivative financial instruments	6	2,231.64	1,192.75
Trade receivables	7	241.12	239.41
Loans	8	568,421.19	489,739.76
Investments	9	74,151.81	33,616.86
Other financial assets	10	1,606.69	2,105.14
		749,527.89	**718,359.88**
Non-financial assets			
Current tax assets (net)	11	3,321.63	–
Deferred tax assets (net)	12	–	6,811.20
Investment Property	13	664.26	698.26
Property, plant and equipment	14	8,328.99	7,901.34
Capital work-in-progress	14	–	17.89
Other intangible assets	15	144.66	212.71
Other non-financial assets	16	2,552.22	3,539.22
		15,011.76	**19,180.62**
TOTAL ASSETS		**764,539.65**	**737,540.50**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Payables			
Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises	17	–	–
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		198.23	1,049.81
Other payables	18		
(i) total outstanding dues of micro enterprises and small enterprises		23.87	172.02
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1,125.93	1,371.54
Debt securities	19	109,144.08	118,743.75
Borrowings (other than debt securities)	20	400,477.70	382,504.26
Subordinated liabilities	21	35,126.25	45,034.73
Other financial liabilities	22	25,542.79	26,409.64
		571,638.85	**575,285.75**
Non-financial liabilities			
Current tax liabilities (net)	23	–	100.06
Provisions	24	703.85	775.84
Deferred tax liabilities (net)	12	245.64	–
Other non-financial liabilities	25	579.63	754.02
		1,529.12	**1,629.92**
EQUITY			
Equity share capital	26	8,479.63	7,459.12
Other equity	27	182,892.05	153,165.71
		191,371.68	**160,624.83**
TOTAL LIABILITIES AND EQUITY		**764,539.65**	**737,540.50**

Statement of significant accounting policies and other explanatory notes. 1-3

This balance sheet referred to in our report of even date.

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

Naveen Aggarwal
Partner
Membership Number: 094380

Place: Gurugram
Date: April 29, 2023

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

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

Satvinder Singh
(Director)
DIN: 00332521

Sanjay Kumar Bhatia
(Chairman Audit Committee cum Director)
DIN: 07033027

Rakesh Sachdeva
(Chief Financial Officer)

Vikas Gupta
(Company Secretary & Compliance Officer)
Membership Number: A24281

Place: Gurugram
Date: April 29, 2023

Standalone Statement of Profit and Loss

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
I. Income			
Revenue from operations			
Interest income	28	116,008.44	117,010.74
Dividend income	29	0.17	3.15
Rental income	30	117.41	110.71
Fees and commission income	31	2,140.20	2,388.69
Net gain on fair value changes	32	36,631.03	1,423.43
Net gain on derecognition of financial instruments	33	20,964.37	4,954.65
Other operating income	34	243.68	303.38
Total revenue from operations		**176,105.30**	**126,194.75**
Other income	35	49.18	23.34
Total income		**176,154.48**	**126,218.09**
II. Expenses			
Finance costs	36	57,602.47	60,641.19
Impairment on financial instruments	37	40,229.51	17,542.43
Employee benefits expenses	38	31,631.57	32,442.01
Depreciation and amortisation	39	1,620.27	1,378.79
Other expenses	40	10,970.62	8,277.64
Total expenses		**142,054.44**	**120,282.06**
Profit before tax		**34,100.04**	**5,936.03**
Tax expense:	41		
Current tax		(30.37)	3,132.23
Deferred tax charge/ (credit)		7,697.49	(1,218.71)
Total		**7,667.12**	**1,913.52**
Profit after tax		**26,432.92**	**4,022.51**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurements of the defined benefit plans (refer note 48)		(29.67)	12.91
Equity instruments through other comprehensive income (refer note 9)		(2,731.61)	–
Income tax relating to above items		694.96	(3.25)
	A	**(2,066.32)**	**9.66**
Items that will be reclassified to profit or loss			
Changes in fair value of loan assets (refer note 8)		243.31	(3,917.29)
Income tax relating to above item		(61.24)	985.90
Cash flow hedge reserve (refer note 27)		(27.48)	–
Income tax relating to above item		6.92	–
	B	**161.51**	**(2,931.39)**
Other comprehensive income	A+B	**(1,904.81)**	**(2,921.73)**
Total comprehensive income for the period		**24,528.11**	**1,100.78**
Earnings per equity share (face value of ₹ 10 per equity share)	42		
Basic (₹)		33.79	5.76
Diluted (₹)		32.30	5.29

Statement of significant accounting policies and other explanatory notes. 1-3

This statement of profit and loss referred to in our report of even date.

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

Naveen Aggarwal
Partner
Membership Number: 094380

Place: Gurugram
Date: April 29, 2023

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

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

Satvinder Singh
(Director)
DIN: 00332521

Sanjay Kumar Bhatia
(Chairman Audit Committee cum Director)
DIN: 07033027

Rakesh Sachdeva
(Chief Financial Officer)

Vikas Gupta
(Company Secretary & Compliance Officer)
Membership Number: A24281

Place: Gurugram
Date: April 29, 2023

Standalone Cash Fow Statement

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
A	**Cash flow from operating activities**		
	Profit before tax	34,100.04	5,936.03
	Adjustments for:		
	Depreciation and amortisation	1,107.22	1,167.27
	Depreciation of right-of-use assets	513.05	175.77
	Net (gain)/loss on derecognition of property, plant and equipment	(2.95)	22.78
	Fair value gain on mutual funds	(375.18)	(264.81)
	Gain on fair valuation of subsidiaries	(35,215.77)	–
	Unrealised gain on fair value changes of derivatives and investments	(1,040.08)	(1,158.62)
	Property, plant and equipment written off	6.01	39.14
	Impairment on financial instruments	40,229.51	17,542.43
	Dividend income	(0.17)	(3.15)
	Gain on sale of loan portfolio through assignment	(20,964.37)	(4,954.65)
	First loss default guarantee reversal	(593.39)	(380.06)
	Effective interest rate adjustment for financial instruments	1,649.08	1,970.36
	Interest expense for leasing arrangements	120.58	63.82
	Net gain on termination of leases	(7.59)	(7.78)
	Corporate guarantee premium income	(38.64)	(15.56)
	Unrealised exchange fluctuation loss (net)	512.98	367.92
	Operating profit before working capital changes	**20,000.33**	**20,500.89**
	Movement in working capital		
	(Increase)/decrease in trade receivables	(1.71)	1,221.51
	(Increase)/decrease in loans	(94,983.85)	45,255.01
	Decrease/(increase) in fixed deposits	5,025.10	(12,370.07)
	Decrease in other financial assets	473.08	1,008.82
	Decrease/(increase) in other non-financial assets	987.00	(1,226.12)
	(Decrease)/increase in trade and other payables	(1,245.34)	142.17
	Decrease in other financial liabilities	(234.82)	(3,627.18)
	Decrease in provisions	(101.66)	(527.41)
	(Decrease)/increase in other non-financial liabilities	(174.39)	64.23
	Cash (used in)/generated from operating activities post working capital changes	**(70,256.26)**	**50,441.85**
	Income tax paid (net)	(3,391.33)	(3,925.67)
	Net cash (used in)/generated from operating activities (A)	**(73,647.59)**	**46,516.18**
B	**Cash flows from investing activities**		
	Purchase of property, plant and equipment	(798.17)	(468.14)
	Proceeds from sale of property, plant and equipment	31.16	37.47
	Investment made in subsidiaries	(3,999.90)	(500.00)
	Investment made in other than subsidiaries	(530,931.63)	(477,085.63)
	Sale of investments other than subsidiaries	524,563.07	472,551.88
	Dividend income	0.17	3.15
	Net cash used in investing activities (B)	**(11,135.30)**	**(5,461.27)**
C	**Cash flows from financing activities (refer to note (i) below)**		
	Proceeds from issue of share capital and share warrants (including premium and net of share issue expenses)	6,218.75	10,457.62
	Proceeds from debt securities	28,209.32	29,585.32
	Repayment of debt securities	(38,043.56)	(81,783.71)
	Proceeds from borrowings other than debt securities	396,212.56	301,140.12
	Repayment of borrowings other than debt securities	(361,454.70)	(310,460.73)
	Lease payments	(615.42)	(220.70)
	Repayment of subordinated liabilities	(9,890.93)	(5,369.41)
	Net cash generated from/(used in) financing activities (C)	**20,636.02**	**(56,651.49)**
	Net decrease in cash and cash equivalents (A+B+C)	(64,146.87)	(15,596.58)
	Cash and cash equivalents at the beginning of the year (refer to note (ii) below)	85,482.03	101,078.61
	Cash and cash equivalents at the end of the year	**21,335.16**	**85,482.03**

(i) Refer note 21 for reconciliation of liabilities arising from financing activities.

(ii) Refer note 5 for restricted cash and cash equivalents.

Standalone Cash Fow Statement

for the year ended March 31, 2023 (Contd..)

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Notes:		
Cash and cash equivalents (as per note 4 to the finacncial statements)	21,335.16	104,900.58
Less: Overdraft facility against term deposits (as per note 20 to the finacncial statements)	–	(19,418.55)
	21,335.16	**85,482.03**

Statement of significant accounting policies and other explanatory notes. Note 1-3

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

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

Naveen Aggarwal
Partner
Membership Number: 094380

Place: Gurugram
Date: April 29, 2023

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

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

Satvinder Singh
(Director)
DIN: 00332521

Sanjay Kumar Bhatia
(Chairman Audit Committee cum Director)
DIN: 07033027

Rakesh Sachdeva
(Chief Financial Officer)

Vikas Gupta
(Company Secretary & Compliance Officer)
Membership Number: A24281

Place: Gurugram
Date: April 29, 2023

Standalone Statement of Changes in Equity

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

A. Equity share capital (refer note 26)

March 31, 2023

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

March 31, 2022

Particulars	Balance as at April 1, 2021	Changes in Equity Share Capital due to prior period errors	Restated balance at April 1, 2021	Changes during the year	Balance as at March 31, 2022
Equity share capital	6,647.12	–	6,647.12	812.00	7,459.12

B. Other equity (refer note 27)

Particulars	Reserves and surplus						Other comprehensive income			Money received against share warrants	Total
	Statutory reserve	Securities premium	General reserve	Capital redemption reserve	Share options outstanding account	Retained earnings	Equity instruments through other comprehensive income	Change in fair value of loan assets through other comprehensive income	Cash flow hedge reserve		
Balance as at April 1, 2021	**9,966.39**	**101,809.54**	**29.94**	**277.00**	**217.77**	**26,632.46**	**(5.00)**	**3,509.45**	**20.56**	**–**	**142,458.11**
Changes in accounting policy/prior period errors	–	–	–	–	–	–	–	–	–	–	–
Restated balance at April 1, 2021	**9,966.39**	**101,809.54**	**29.94**	**277.00**	**217.77**	**26,632.46**	**(5.00)**	**3,509.45**	**20.56**	**–**	**142,458.11**
Profit for the year	–	–	–	–	–	4,022.51	–	–	–	–	4,022.51
Other comprehensive income (net of tax)	–	–	–	–	–	9.66	–	(2,931.39)	–	–	(2,921.73)
Issue of equity shares (net of share issue expenses)	–	4,645.62	–	–	–	–	–	–	–	–	4,645.62
Issue of share warrants	–	–	–	–	–	–	–	–	–	5,000.00	5,000.00
Transfer to statutory reserves	804.50	–	–	2,500.00	–	(3,304.50)	–	–	–	–	–
Transfer from share options outstanding account	–	–	–	–	(178.97)	178.97	–	–	–	–	–
Share based payment to employees	–	–	–	–	(38.80)	–	–	–	–	–	(38.80)
Balance as at March 31, 2022	**10,770.89**	**106,455.16**	**29.94**	**2,777.00**	**–**	**27,539.10**	**(5.00)**	**578.06**	**20.56**	**5,000.00**	**153,165.71**

Standalone Statement of Changes in Equity

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

B. Other equity (refer note 27) (Contd..)

Particulars	Reserves and surplus						Other comprehensive income			Money received against share warrants	Total
	Statutory reserve	Securities premium	General reserve	Capital redemption reserve	Share options outstanding account	Retained earnings	Equity instruments through other comprehensive income	Change in fair value of loan assets through other comprehensive income	Cash flow hedge reserve		
Changes in accounting policy/prior period errors	–	–	–	–	–	–	–	–	–	–	–
Restated balance at March 31, 2022	10,770.89	106,455.16	29.94	2,777.00	–	27,539.10	(5.00)	578.06	20.56	5,000.00	153,165.71
Profit for the year	–	–	–	–		26,432.92	–	–	–	–	26,432.92
Other comprehensive income (net of tax)	–	–	–	–	–	(22.20)	(2,044.12)	182.07	(20.56)	–	(1,904.81)
Issue of equity shares (net of share issue expenses)	–	7,271.15	–	–	–	–	–	–	–	(8,291.67)	(1,020.52)
Money received against share warrants	–	–	–	–	–	–	–	–	–	6,218.75	6,218.75
Transfer to statutory reserves	5,286.58	–	–	–	–	(5,286.58)	–	–	–	–	–
Balance as at March 31, 2023	**16,057.47**	**113,726.31**	**29.94**	**2,777.00**	**–**	**48,663.24**	**(2,049.12)**	**760.13**	**–**	**2,927.08**	**182,892.05**

Statement of significant accounting policies and other explanatory notes.

This statement of changes in Equity referred to in our report of even date.

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

Naveen Aggarwal
Partner
Membership Number: 094380

Place: Gurugram
Date: April 29, 2023

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

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

Satvinder Singh
(Director)
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Sanjay Kumar Bhatia
(Chairman Audit Committee cum Director)
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Rakesh Sachdeva
(Chief Financial Officer)

Vikas Gupta
(Company Secretary & Compliance Officer)
Membership Number: A24281

Place: Gurugram
Date: April 29, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Note 1 : Company overview

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

Note 2 : Basis of preparation

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

These standalone financial statements ("the Financial Statements") have been prepared in accordance with the Indian Accounting Standards ('Ind AS') as notified by Ministry of Corporate Affairs ('MCA') under Section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time. The Company has uniformly applied the accounting policies for all the periods presented in this financial statements.

The financial statements for the year ended March 31, 2023 were authorized and approved for issue by the Board of Directors on April 29, 2023.

(ii) Historical cost convention

The financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India. Further, the financial statements have been prepared on a historical cost basis, except for fair value through other comprehensive income (FVOCI) instruments, derivative financial instruments, and financial assets and liabilities designated at fair value through profit or loss (FVTPL), all of which have been measured at fair value. Further the carrying values of recognised assets and liabilities that are hedged items in fair value hedges, and otherwise carried at amortised cost, are adjusted to record changes in fair value attributable to the risks that are being hedged.

(iii) Going Concern

Management is of the view that having regard to the projections of the business prospects, Company shall be able to continue as a going concern. Accordingly, management considers it appropriate to prepare these financials statements on a going concern basis.

Note 3 : Summary of significant accounting policies

The financial statements have been prepared using the significant accounting policies and measurement bases summarised as below. These policies are applied consistently for all the periods presented in the financial statements.

a) Property, plant and equipment

Recognition and initial measurement

Property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are recognised in statement of profit and loss.

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

Property, plant and equipment are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation on property, plant and equipment is provided on the written down value method over the useful life of the assets estimated by the management. The useful life estimated by the management is as under:

Asset class	Useful life
Building	60 years
Electrical equipment	10-25 years
Office equipment	5 years
Computer equipment	3-6 years
Furniture and fixtures	10 years
Vehicles	8-10 years

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

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

De-recognition

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

Capital work-in-progress

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

b) Investment property

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

The Company depreciates building component of investment property over 60 years from the date of original purchase.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of de-recognition.

c) Intangible assets

Recognition and initial measurement

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

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

Intangible assets are amortised over a period of 3-5 years from the date when the assets are available for use. The estimated useful life (amortisation period) of the intangible assets is arrived basis the expected pattern of consumption of economic benefits and is reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

d) Intangible assets under development

Intangible assets under development represents expenditure incurred in respect of intangible assets under development and are carried at cost. Cost includes development cost, borrowing costs and other direct expenditure necessary to create, produce and prepare the asset to be capable of operating in the manner intended by management. These are recognised as assets when the Company can demonstrate following recognition requirements:

- The development costs can be measured reliably
- The project is technically and commercially feasible
- The Company intends to and has sufficient resources to complete the project
- The Company has the ability to use or sell such intangible asset
- The asset will generate probable future economic benefits.

Amortisation of the asset begins when development is complete and the asset is available for use.

e) Revenue recognition

Interest income on loans

The Company recognises interest income using Effective Interest Rate (EIR) on all financial assets subsequently measured at amortised cost or fair value through other comprehensive income (FVOCI). EIR is calculated by considering any fees and all incremental costs that are directly attributable to acquisition of a financial asset and it represents a rate that exactly discounts estimated future cash payments/receipts through the expected life of the financial asset to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

The Company recognises interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. In case of credit-impaired financial assets regarded as 'Stage 3', the Company recognises interest income on the net amortised cost of financial assets at EIR. If financial asset is no longer credit-impaired Company reverts to calculating interest income on a gross basis.

Income from assignment transactions

Income from assignment transactions i.e. present value of excess interest spread is recognised when the related

(All amounts in ₹ lakhs, unless otherwise stated)

loan assets are de-recognised. Interest income is also recognised on carrying value of remaining assets over the outstanding period of such assets.

Commission income

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

Dividend income

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

Miscellaneous income

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

f) Borrowing costs

Borrowing costs consists of interest and other cost that the Company incurred in connection with the borrowing of funds. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset form part of the cost of that asset. Borrowing costs are charged to the Statement of Profit and Loss on the basis of effective interest rate method.

g) Taxation

I. **Current tax:** Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, in accordance with the Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS) prescribed therein. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current tax relating to items recognised outside profit or loss is recognised in correlation to the underlying transaction either in OCI or directly in other equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

II. **Deferred Tax:** Deferred tax is provided using the Balance Sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for deductible temporary differences to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets, if any, are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised either in OCI or in other equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority. Tax expense recognized in Statement of Profit and Loss comprises the sum of deferred tax and current tax except to the extent it recognized in other comprehensive income or directly in equity.

h) Employee benefits

Short-term employee benefits

Short-term employee benefits including salaries, short term compensated absences (such as a paid annual leave) where the absences are expected to occur within twelve months after the end of the period in which the employees render the related service, profit sharing and bonuses payable within twelve months after the end of the period in which the employees render the related services and non-monetary benefits for current employees are estimated and measured on an undiscounted basis.

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

Defined contribution plans

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

Defined benefit plans

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

Other long-term employee benefits

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

i) Share based payments

The Company has formulated an Employees Stock Option Schemes to be administered through a Trust. The stock options granted to employees pursuant to the Company's Stock Options Schemes, are measured at the fair value of the options at the grant date. The fair value of options granted under Employee Stock Option Plan is recognised as an employee benefits expense with a corresponding increase in other equity. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the Company revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in Statement of Profit and Loss, with a corresponding adjustment to equity.

j) Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. Recoverable amount is higher of an asset's fair value less cost of disposal and its value in use. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the reporting date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

Compensation for impairment

Compensation from third parties for items of property, plant and equipment that were impaired, lost or given up are recognised in statement of profit and loss when the compensation becomes receivable.

Financial Guarantees

Financial guarantees are initially recognised at fair value. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

The premium received (if any) is recognised as income on a straight-line basis over the life of the guarantee.

k) Impairment of financial assets

The Company is recording the allowance for expected credit losses for all loans at amortised cost and FVOCI and other financial assets not held at FVTPL

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL). The Company's policies for determining if there has been a significant increase in credit risk.

Loan assets

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

- Stage 1 (1-30 days) includes loan assets that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date.
- Stage 2 (31-90 days) includes loan assets that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment.
- Stage 3 (more than 90 days) includes loan assets that have objective evidence of impairment at the reporting date.

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

Probability of Default (PD) - The PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months (12 months PD), or over the remaining lifetime (Lifetime PD) of the obligation.

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

Exposure at Default (EAD) – EAD is based on the amounts the Company expects to be owed at the time of default.

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

Trade receivables

In respect of trade receivables, the Company applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of trade receivables.

Other financial assets

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

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

Write-offs

Financial assets are written off either partially or in their entirety to the extent that there is no realistic prospect of recovery. Any subsequent recoveries are credited to impairment on financial instrument on statement of profit and loss.

l) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand (including imprest), demand deposits and short-term highly liquid investments (certificate of deposits and commercial paper) that are readily convertible into known amount of cash and which are subject to an insignificant risk of changes in value. The Company has netted off the balance of bank overdraft with cash and cash equivalents for cash flow statement as they are considered an integral part of the Company's cash management.

m) Equity investment in subsidiaries

Investments representing equity interest in subsidiaries are accounted for at Fair Value through Profit and Loss (FVTPL) in accordance to Ind AS 109 read with Ind AS 27 Separate Financial Statements.

n) Provisions, contingent assets and contingent liabilities

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

Contingent liability is disclosed for:

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

Contingent assets are not recognised but disclosed where an inflow of economic benefits is probable.

o) Leases

Company as a lessee

A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Company assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company
- the Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract the Company has the right to direct the use of the identified asset throughout the period of use.

The Company assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

Determining the lease term of contracts with renewal and termination options where Company is lessee - The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination.

Company as lessor:

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

Classification of leases – The Company enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

p) Financial instruments

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition and measurement

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

Non-derivative financial assets

Subsequent measurement

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

   - The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the Statement of Profit and Loss.

ii. **Financial assets are measured at FVOCI when both of the following conditions are met: –** a financial asset is measured at the FVOCI if both the following conditions are met:

- The instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets
- The contractual terms of the financial asset meet the SPPI test

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI. Interest income are recognised in profit or loss in the same manner as for financial assets measured at amortised cost.

Investment in security receipts issued by trust floated by asset reconstruction companies are accounted for at fair value through other comprehensive income (FVOCI).

iii. **Investments in equity instruments –** Investments in equity instruments which are held for trading are classified as at fair value through profit or loss (FVTPL). For all other equity instruments, the Company makes an irrevocable choice upon initial recognition, on an instrument by instrument basis, to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL). Amounts presented in other comprehensive income are not subsequently transferred to profit or loss. However, the Company transfers the cumulative gain or loss within equity. Dividends on such investments are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

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

v. **Financial assets measured at FVTPL –** FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL, with all changes recognized in the P&L.

De-recognition of financial assets

Financial assets (or where applicable, a part of financial asset or part of a group of similar financial assets) are de-recognised (i.e. removed from the Company's balance sheet) when the contractual rights to receive the cash flows from the financial asset have expired, or when the financial asset and substantially all the risks and rewards are transferred. Further, if the Company has not retained control, it shall also de-recognise the financial asset and recognise separately as assets or liabilities any rights and obligations created or retained in the transfer.

Non-derivative financial liabilities

Subsequent measurement

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

De-recognition of financial liabilities

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

First loss default guarantee

First loss default guarantee contracts are contracts that require the Company to make specified payments to reimburse the bank for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a agreement. Such financial guarantees are given to bank, for whom the Company acts as 'Business Correspondent'.

These contracts are initially measured at fair value and subsequently measure at higher of:

- The amount of loss allowance (calculated as described in policy for impairment of financial assets)
- Maximum amount payable as on the reporting date to the bank which is based on the amount of loans overdue for more than 75 days in respect to agreements with banks.

Further, the maximum liability is restricted to the cash outflow agreed in the agreement.

Compound financial instruments

Optionally convertible instruments are separated into liability and equity components based on the terms of the contract. On issuance of the said instruments, the liability component is arrived by discounting the gross sum (including redemption premium, if any) at a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost until it is extinguished on conversion or redemption. The remainder of the proceeds is recognised as equity component of compound financial instrument. This is recognised and included in shareholders' equity, net of income tax effects, and not subsequently re-measured.

Offsetting of financial instruments

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

Derivative contracts

The Company enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit and loss using mark to market information.

Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date using valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

a) In the principal market for the asset or liability, or

b) In the absence of a principal market, in the most advantageous market for the asset or liability.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured are categorised with fair value hierachy into Level I, Level II and Level III based on level of input.

q) Earnings per share

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

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

r) Segment reporting

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

s) Foreign currency

Functional and presentation currency

Items included in the financial statement of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements have been prepared and presented in Indian Rupees (₹), which is the Company's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency, by applying the exchange rates on the foreign currency amounts at the date of the transaction. Foreign currency monetary items outstanding at the balance sheet date are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the Statement of Profit and Loss in the year in which they arise.

t) Government grants

Grants and subsidies from the government are recognised when there is reasonable assurance that (i) the Company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

Grant or subsidy relates to revenue, it is recognised as income on a systematic basis in profit or loss over the periods necessary to match them with the related costs, which they are intended to compensate.

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

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

Significant management judgements

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

Business model assessment - The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and accordingly prospective change to the classification of those assets are made.

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

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

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

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

Significant estimates

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

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

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

v) Statement of Cash Flows

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method adjusting the net profit for the effects of:

I. Changes during the period in operating receivables and payables transactions of a non-cash nature;

II. Non-cash items such as depreciation, provisions, deferred taxes, unrealised foreign currency gains and losses; and

III. All other items for which the cash effects are investing or financing cash flows.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Note 4 : Cash and cash equivalents

Particulars	As at March 31, 2023	As at March 31, 2022
Cash on hand	4,022.27	4,758.22
Balances with banks and financial institutions		
– Balance with banks in current accounts	15,312.64	72,134.78
– Deposits for original maturity of less than 3 months	2,000.25	28,007.58
Total	**21,335.16**	**104,900.58**

*Balance in current accounts includes balance of ₹ 2.15 lakhs (March 31, 2022 : ₹ 2.15 lakhs) which is earmarked for unpaid dividend.

Note 5 : Bank balances other than cash and cash equivalents

Particulars	As at March 31, 2023	As at March 31, 2022
Deposits for remaining maturity of more than 3 months and upto 12 months	4,213.98	4,128.44
Deposits with remaining maturity more than 12 months	935.46	–
Balance with banks and financial institutions to the extent held as margin money deposits against borrowings and guarantees	76,390.84	82,436.94
Total	**81,540.28**	**86,565.38**

The amount under lien as security against term loan and overdraft facility availed, assets securitised, first loss default guarantee are as follows (included above in note 4 and 5):-

Particulars	As at March 31, 2023	As at March 31, 2022
Term loans	18,093.70	33,468.09
Overdraft facilities	37,103.39	39,381.51
Securitisations	20,307.79	6,796.83
Derivatives	–	597.68
Bank guarantee against rights issue	–	64.63
Security against first loss default guarantee	883.40	2,125.75
Security against facilities	2.56	2.45
Total	**76,390.84**	**82,436.94**

Note 6 : Derivative financial instruments

Particulars	As at March 31, 2023		As at March 31, 2022	
	Notional amounts (₹)	Fair value (₹)	Notional amounts (₹)	Fair value (₹)
Currency and interest swap	41,518.44	2,231.64	31,161.35	1,192.75
	41,518.44	**2,231.64**	**31,161.35**	**1,192.75**
Included in above are derivative held for risk management purpose as follows:				
Undesignated derivative	41,518.44	2,231.64	31,161.35	1,192.75
Total	**41,518.44**	**2,231.64**	**31,161.35**	**1,192.75**

The Company enters into derivative contracts for risk management purposes.

The table above represents the fair value of derivate financial instruments recorded as assets together with the notional amounts.

The notional amounts indicates the value of transaction outstanding at the year end and are not indicative of either the market risk or credit risk.

The Company is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are foreign currency risk and interest rate risk. The Company's risk management strategy and how it is applied to manage risk are explained below.

(All amounts in ₹ lakhs, unless otherwise stated)

Derivatives designated as hedging instruments

Foreign currency risk

The Company is exposed to foreign currency risk arising from its fixed rate foreign currency borrowing amounting to US $ 9.4 million. Interest on the borrowing is payable at a fixed rate of 5.93% per annum. (on semi-annual basis starting from February 5, 2020) and the principal amount was repaid on August 5, 2022. The Company economically hedged the foreign currency risk arising from the debt with a 'receive fixed pay fixed' cross-currency interest rate swap ('swap') on July 24, 2019. The notional amount of swap was ₹ 6,487.41 lakhs. The swap contract converted the cash outflows of the foreign currency fixed rate borrowing of US $ 9.4 million to cash outflows in ₹ with a notional amount of ₹ 6,487.41lakhs and fixed interest of 11.18% per annum.

Offsetting

The Company does not have derivative financial assets and financial liabilities which are subject to master netting arrangements. Master netting arrangements are those arrangements wherein in the case of insolvency, derivative financial assets and financial liabilities will be settled on a net basis.

Note 7 : Trade receivables (at amortised cost)

Particulars	As at March 31, 2023	As at March 31, 2022
Considered good - unsecured	241.72	248.96
	241.72	**248.96**
Less: Impairment loss allowance	(0.60)	(9.55)
Total	**241.12**	**239.41**

Trade Receivables ageing schedule

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables – considered good	75.98	–	–	–	–	75.98
(ii) Undisputed trade receivables – credit impaired	–	–	–	–	–	–
(iii) Disputed trade receivables – considered good	–	–	–	–	–	–
(iv) Disputed trade receivables – credit impaired	–	–	–	–	–	–
(v) Unbilled	–	–	–	–	–	165.74
As at March 31, 2023	**75.98**	**–**	**–**	**–**	**–**	**241.72**

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables – considered good	240.04	–	–	–	–	240.04
(ii) Undisputed trade receivables – credit impaired	–	1.99	2.67	4.26	–	8.92
(iii) Disputed trade receivables – considered good	–	–	–	–	–	–
(iv) Disputed trade receivables – credit impaired	–	–	–	–	–	–
(v) Unbilled	–	–	–	–	–	–
As at March 31, 2022	**240.04**	**1.99**	**2.67**	**4.26**	**–**	**248.96**

The Company does not have any receivables which are either credit impaired or where there is significant increase in credit risk other than those which are provided for.

(All amounts in ₹ lakhs, unless otherwise stated)

Note 8 : Loans

Particulars	As at March 31, 2023		As at March 31, 2022	
	At fair value through other comprehensive income	At amortised cost	At fair value through other comprehensive income	At amortised cost
Portfolio loans (also refer note 44)				
Secured	–	4,883.97	–	5,246.01
Unsecured*	381,675.56	193,746.68	421,364.40	97,602.07
	381,675.56	**198,630.65**	**421,364.40**	**102,848.08**
Less: Impairment loss allowance	(10,039.34)	(1,845.68)	(32,831.24)	(1,641.48)
	(10,039.34)	**(1,845.68)**	**(32,831.24)**	**(1,641.48)**
Sub total	**371,636.22**	**196,784.97**	**388,533.16**	**101,206.60**
Total loans		**568,421.19**		**489,739.76**

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Secured by tangible assets (property, plant and equipment including land and building)	962.26	2,283.85
(ii) Secured by book debts, inventories, margin money and other working capital items	3,082.64	1,733.28
(iii) Unsecured	564,376.29	485,722.63
Total	**568,421.19**	**489,739.76**

Loans in India		
(i) Public sector	–	–
(ii) Others	568,421.19	489,739.76
Total	**568,421.19**	**489,739.76**

*Unsecured portfolio measured at amortised cost of ₹ 10,000.03 lakhs (balance as on June 10, 2022 i.e. cut off date) (March 31, 2022 : ₹ 5,314.81 lakhs (balance as on February 28, 2022 i.e. cut off date)) sold to an asset reconstruction company at a value of ₹ 8,650.00 lakhs on June 29, 2022 (March 31, 2022 : ₹ 5,300.00 lakhs on March 28, 2022).

Loss on such sale is netted off from net gain as disclosed in Note 33. The balance outstanding as on March 31, 2023 is ₹ 13,130.86 lakhs (March 31, 2022 : ₹ 5,254.77 lakhs).

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

(All amounts in ₹ lakhs, unless otherwise stated)

Note 9 : Investments (unquoted)

Particulars	As at March 31, 2023				As at March 31, 2022				
	Amortised cost	At fair value		Total	Amortised cost	At fair value		Cost*	Total
		Through other comprehensive income	Through profit and loss			Through other comprehensive income	Through profit and loss		
Equity instruments									
Subsidiaries*									
Nil (March 31, 2022 : 1,60,40,025) equity shares of face value of ₹ 10 each of Taraashna Financial Services Limited~	–	–	–	–	–	–	–	8,510.24	8,510.24
11,34,00,000 (March 31, 2022 : 10,00,00,000) equity shares of face value of ₹ 10 each of Satin Housing Finance Limited	–	–	33,568.03	33,568.03	–	–	–	10,000.00	10,000.00
14,05,14,859 (March 31, 2022 : 10,25,00,000) equity shares of face value of ₹ 10 each of Satin Finserv Limited~	–	–	34,407.88	34,407.88	–	–	–	10,250.00	10,250.00
Others									
50,000 (March 31, 2022 : 50,000) equity shares of face value of ₹ 10 each of Alpha Micro Finance Consultants Private Limited#	–	–	–	–	–	–	–	–	–
Preferential instruments									
21,845 (March 31, 2022 : 21,845) Compulsory Convertible Preference Shares of face value of ₹ 10 each of Jay Kay Financial Technologies Private Limited	–	–	111.19	111.19	–	–	110.00	–	110.00
Pass through certificates	127.81	–	–	127.81	181.87	–	–	–	181.87
Security Receipts									
4,50,500 (March 31, 2022 : 4,50,500) security receipts in Prudent Trust 67/22 (Trust floated by Prudent ARC Limited)	–	3,276.02	–	3,276.02		4,505.00	–		4,505.00
7,35,250 (March 31, 2022 : Nil) security receipts in Prudent Trust 70/22 (Trust floated by Prudent ARC Limited)	–	5,354.41	–	5,354.41	–	–	–	–	–
Less: Provisions	–	(2,694.04)		(2,694.04)	–	–	–	–	–
Mutual funds									
Nil (March 31, 2022 : 294,091.70) units in Union Dynamic Bond Fund	–	–	–	–	–	–	59.24	–	59.24
Government securities									
500 (March 31, 2022 : 500), Government of India, Inscribed stock having face value ₹ 100 each	–	–	0.51	0.51	–	–	0.51	–	0.51
Total	**127.81**	**5,936.39**	**68,087.61**	**74,151.81**	**181.87**	**4,505.00**	**169.75**	**28,760.24**	**33,616.86**
(i) Investments in India	127.81	5,936.39	68,087.61	74,151.81	181.87	4,505.00	169.75	28,760.24	33,616.86
(ii) Investments outside India	–	–	–	–	–	–	–	–	–
Total	**127.81**	**5,936.39**	**68,087.61**	**74,151.81**	**181.87**	**4,505.00**	**169.75**	**28,760.24**	**33,616.86**

(All amounts in ₹ lakhs, unless otherwise stated)

The Company has not entered in to any credit derivative to mitigate the credit risk (if any).

Name of Subsidiaries	Ownership Interest	
	As at March 31, 2023	As at March 31, 2022
Taraashna Financial Services Limited~	Nil	100%
Satin Housing Finance Limited	100%	100%
Satin Finserv Limited~	100%	100%

The Company has not entered in to any credit derivative to mitigate the credit risk (if any).

#Investment has been written off and therefore shown at zero value.

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

*During the year ended March 31, 2023 the Company has changed its accounting policy for valuation of its investments in 3 wholly owned subsidiaries from cost basis to fair value through profit and loss (FVTPL) basis. The Company believes that this change to fair value through profit and loss (FVTPL) is preferable as it reflects value of the Company's investment on current market price basis and it is in sync with the cost of funds involved in it and charged to the statement of profit and loss account by the Company. Hence, it provides reliable and more relevant information to the users of financial statements about the Company's Value of Investment on an on-going basis. In accordance with Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors, this change in accounting policy is required to be retrospectively applied to all prior periods presented, unless impracticable to do so. The same has been explored as per below mentioned fact -

Significant assumptions and estimations are involved in the fair valuation of the investments, considering the fact that March 31, 2021 was covid impacted year, when the economic conditions were uncertain, it is not possible for the management to accurately consider the assumptions and estimates in the valuation of investments for that prior period without the use of hindsight. Use of hindsight is not the intention of Ind AS 8. Hence, it is not practicable for the management to calculate the fair valuation of investments for the prior periods.

In view of above, one of the conditions, as given in Ind AS 8, for impracticability is satisfied, hence entity qualifies for the exemption of retrospective application. Therefore, in view of above the change in accounting policy is made effective on a prospective basis from the year ended March 31, 2023. Following is the impact .i.e. increase/decrease of the said change in policy on each item of statement of profit and loss for the year ended March 31, 2023 :

Particulars	Amount (₹ in Lakhs)
Increase in profit before tax	35,215.77
Increase in deferred tax charge	8,057.37
Increase in profit after tax	27,158.40
Increase in EPS – Basic	34.72
Increase in EPS – Diluted	33.19

Following is the impact .i.e. increase/decrease of the said change in policy on each item of Balance Sheet as on March 31, 2023 :

Particulars	Amount (₹ in Lakhs)
Increase in value of investment in subsidiaries	35,215.77
Increase in Deferred Tax Liability	8,057.37

Notes to the Standalone Financial Statements
for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Note 10 : Other financial assets

Particulars	As at March 31, 2023	As at March 31, 2022
Security deposits	208.43	206.56
Staff advances	60.48	46.23
Insurance recoverable	401.97	482.87
Amount receivable against Mudra Interest Subvention Scheme	–	9.75
Other recoverable	971.21	1,363.87
	1,642.09	**2,109.28**
Less: Impairment loss allowance	(35.40)	(4.14)
Total	**1,606.69**	**2,105.14**

Note 11 : Current tax assets (net)

Particulars	As at March 31, 2023	As at March 31, 2022
Advance income - tax (net)	3,321.63	–
Total	**3,321.63**	**–**

Note 12 : Deferred tax assets/(liabilities) (net)

Particulars	As at March 31, 2023	As at March 31, 2022
(A) Deferred tax assets		
Provision for employee benefits	177.11	193.83
Difference in written down value as per Companies Act and Income Tax Act	189.62	200.57
Impairment loss allowance on Security Receipts	678.04	–
Loss on Security Receipts through other comprehensive income	687.49	–
Impairment loss allowance and first loss default guarantee	3,281.00	9,101.61
Liability against leases	293.25	126.07
Carry Forward Losses	7,849.35	–
Total deferred tax assets	**13,155.86**	**9,622.08**
(B) Deferred tax liabilities		
Financial liabilities measured at amortised cost	(2.30)	8.35
Financial assets measured at amortised cost	560.22	296.78
Fair valuation of financial instruments through profit and loss	8,057.37	–
Fair valuation of loan assets through other comprehensive income	384.54	323.31
Cash flow hedge reserve	–	–
Right of use assets	287.73	103.58
Deferment of excess interest spread	4,113.94	2,078.86
Total deferred tax liabilities	**13,401.50**	**2,810.88**
Net deferred tax assets/(liabilities)	**(245.64)**	**6,811.20**

(i) Movement in deferred tax assets/(liabilities) (net)

Particulars	As at March 31, 2022	(Charged)/ credited to statement of profit and loss	(Charged)/ credited to other comprehensive income	As at March 31, 2023
Assets				
Provision for employee benefits	193.83	(711.68)	694.96	177.11
Difference in written down value as per Companies Act and Income Tax Act	200.57	(10.95)	–	189.62
Impairment loss allowance on Security Receipts	–	678.04	–	678.04
Loss on Security Receipts through other comprehensive income	–	687.49	–	687.49
Impairment loss allowance and first loss default guarantee	9,101.61	(5,820.61)	–	3,281.00

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2022	(Charged)/ credited to statement of profit and loss	(Charged)/ credited to other comprehensive income	As at March 31, 2023
Liability against leases	126.07	167.18	–	293.25
Carry Forward Losses	–	7,849.35	–	7,849.35
Liabilities				
Financial liabilities measured at amortised cost	8.35	(10.65)	–	(2.30)
Financial assets measured at amortised cost	296.78	263.44	–	560.22
Fair valuation of financial instruments through profit and loss	–	8,057.37	–	8,057.37
Fair valuation of loan assets through other comprehensive income	323.31	–	61.24	384.54
Cash flow hedge reserve	–	6.92	(6.92)	–
Right of use assets	103.58	184.15	–	287.73
Deferment of excess interest spread	2,078.86	2,035.08	–	4,113.94
Total (net)	**6,811.20**	**(7,697.49)**	**640.64**	**(245.64)**

Particulars	As at March 31, 2021	(Charged)/ credited to statement of profit and loss	(Charged)/ credited to other comprehensive income	As at March 31, 2022
Assets				
Provision for employee benefits	314.09	(117.01)	(3.25)	193.83
Difference in written down value as per Companies Act and Income Tax Act	202.94	(2.37)	–	200.57
Impairment loss allowance and first loss default guarantee	7,798.47	1,303.14	–	9,101.61
Liability against leases	166.04	(39.96)	–	126.07
Liabilities				
Financial liabilities measured at amortised cost	18.52	(10.17)	–	8.35
Financial assets measured at amortised cost	1.32	295.45	–	296.78
Fair valuation of loan assets through other comprehensive income	1,309.21	(0.00)	(985.90)	323.31
Right of use assets	146.35	(42.77)	–	103.58
Deferment of excess interest spread	2,396.28	(317.42)	–	2,078.86
Total (net)	**4,609.86**	**1,218.71**	**982.65**	**6,811.20**

Note 13 : Investment property

Particulars	As at March 31, 2023	As at March 31, 2022
A. Reconciliation of carrying amount (Cost or deemed cost)		
Opening balance	769.52	729.24
Additions during the year	–	40.28
Total	**769.52**	**769.52**
Accumulated depreciation		
Opening balance	71.26	35.51
Additions during the year	34.00	35.75
Total	**105.26**	**71.26**
Carrying amounts (Balance at date)	**664.26**	**698.26**
B. Amounts recognised in Statement of profit and loss for investment property		
Rental income	30.40	24.60
Less: Depreciation expense	34.00	35.75
Loss from investment property	**(3.60)**	**(11.15)**

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
C. Measurement of fair value		
Investment property	828.52	789.06
	828.52	**789.06**

The Company's investment properties consist of two residential properties in India. The fair values of the properties are ₹ 828.52 lakhs (March 31, 2022 : ₹ 789.06 lakhs). These valuations are based on valuations performed by an independent valuer, the valuer is a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017. Valuation techniques used by the valuer is fair market value.

The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

Note 14 : Property, plant and equipment

Gross carrying amount	Freehold land	Buildings (refer note (i))	Right of use (Leased building)	Right of use (Vehicle)	Computer equipment	Electric equipement	Office equipment	Furniture and fixtures	Vehicles (refer note (iii))	Total	Capital work in progress
Balance as at April 1, 2021	**1,518.37**	**3,931.53**	**1,291.76**	**–**	**2,962.21**	**817.30**	**757.89**	**1,843.42**	**241.27**	**13,363.75**	**364.96**
Additions	–	566.80	14.71	–	114.81	–	56.87	53.46	85.87	892.52	219.73
Adjustment on account of disposals	–	–	(19.44)	–	(558.23)	–	(108.30)	(149.64)	(63.50)	(899.11)	(566.80)
Balance as at March 31, 2022	**1,518.37**	**4,498.33**	**1,287.03**	**–**	**2,518.79**	**817.30**	**706.46**	**1,747.24**	**263.64**	**13,357.16**	**17.89**
Additions	–	17.89	1,177.33	80.69	527.22	–	57.83	46.18	86.55	1,993.69	–
Adjustment on account of disposals	–	–	(650.46)	–	(202.56)	–	(22.73)	(19.60)	(65.61)	(960.96)	(17.89)
Balance as at Mar 31, 2023	**1,518.37**	**4,516.22**	**1,813.90**	**80.69**	**2,843.45**	**817.30**	**741.56**	**1,773.82**	**284.58**	**14,389.89**	**–**
Accumulated depreciation											
Balance as at April 1, 2021	**–**	**377.59**	**710.88**	**–**	**2,264.08**	**29.62**	**516.06**	**941.65**	**139.50**	**4,979.38**	**–**
Depreciation charge for the year	–	175.86	175.77	–	376.88	144.69	117.02	236.76	39.99	1,266.97	–
Adjustment on account of disposals	–	–	(11.19)	–	(516.03)	–	(101.13)	(119.69)	(42.49)	(790.53)	–
Balance as at March 31, 2022	**–**	**553.45**	**875.46**	**–**	**2,124.93**	**174.31**	**531.95**	**1,058.72**	**137.00**	**5,455.82**	**–**
Depreciation charge for the year	–	193.88	506.91	6.14	373.25	116.25	86.62	182.50	53.43	1,518.98	–
Adjustment on account of disposals	–	–	(637.17)	–	(186.95)	–	(20.97)	(15.59)	(53.22)	(913.90)	–
Balance as at Mar 31, 2023	**–**	**747.33**	**745.20**	**6.14**	**2,311.23**	**290.56**	**597.60**	**1,225.63**	**137.21**	**6,060.90**	**–**
Net carrying amount											
Balance as at March 31, 2022	**1,518.37**	**3,944.88**	**411.57**	**–**	**393.86**	**642.99**	**174.51**	**688.52**	**126.64**	**7,901.34**	**17.89**
Balance as at Mar 31, 2023	**1,518.37**	**3,768.89**	**1,068.70**	**74.55**	**532.22**	**526.74**	**143.96**	**548.19**	**147.37**	**8,328.99**	**–**

Notes:

(i) Details of property not held in the name of the company

Particluars	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is promoter, director or relative of promoter / director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the company
Property, plant & equipment	Buildings	292.00	Satin Intellicomm Limited	No	March 29, 2007	Buildings acquired under amalgamation. Transfer formalities are yet to be completed.

(ii) For disclosure of contractual commitments to be executed on capital account, refer note 52.

(iii) Vehicles are taken on finance lease; monthly installments are paid as per agreed terms and conditions.

(iv) Property, plant and equipment have been mortgaged/pledged as security for borrowings, refer note 53.

(All amounts in ₹ lakhs, unless otherwise stated)

(v) Capital work in progress ageing schedule.

Capital Work in Progress	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress					
As at March 31, 2023	**–**	**–**	**–**	**–**	**–**
As at March 31, 2022	**17.89**	**–**	**–**	**–**	**17.89**

Note 15 : Other intangible assets

Gross carrying amount	Computer software	Total
Balance as at April 1, 2021	**1,239.29**	**1,239.29**
Additions		
- Additions – being internally developed	–	–
- Additions – others	–	–
Adjustment on account of disposals	–	–
Balance as at March 31, 2022	**1,239.29**	**1,239.29**
Additions		
- Additions – being internally developed	–	–
- Additions – others	–	–
Adjustment on account of disposals	(65.40)	(65.40)
Balance as at Mar 31, 2023	**1,173.89**	**1,173.89**
Accumulated amortisation		
Balance as at April 1, 2021	**950.50**	**950.50**
Amortisation charge for the year	76.08	76.08
Adjustment on account of disposals	–	–
Balance as at March 31, 2022	**1,026.58**	**1,026.58**
Amortisation charge for the year	67.28	67.28
Adjustment on account of disposals	(64.63)	(64.63)
Balance as at Mar 31, 2023	**1,029.23**	**1,029.23**
Net block		
Balance as at March 31, 2022	**212.71**	**212.71**
Balance as at Mar 31, 2023	**144.66**	**144.66**

Note 16 : Other non-financial assets

Particulars	As at March 31, 2023	As at March 31, 2022
Prepaid expenses	1,446.82	1,035.02
Balances with government authorities	51.10	147.70
Gratuity fund assets (refer note 48)	86.69	–
Other assets	967.61	2,356.50
Total	**2,552.22**	**3,539.22**

Note 17 : Trade payables

Particulars	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro enterprises and small enterprises (refer to note 59)	–	–
Total outstanding dues of creditors other than micro enterprises and small enterprises	198.23	1,049.81
Total	**198.23**	**1,049.81**

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	–	–	–	–	–	–
(ii) Others	198.23	–	–	–	–	198.23
(iii) Disputed dues – MSME	–	–	–	–	–	–
(iv)Disputed dues - Others	–	–	–	–	–	–
As at March 31, 2023	**198.23**	**–**	**–**	**–**	**–**	**198.23**

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	–	–	–	–	–	–
(ii) Others	1,049.81	–	–	–	–	1,049.81
(iii) Disputed dues – MSME	–	–	–	–	–	–
(iv)Disputed dues - Others	–	–	–	–	–	–
As at March 31, 2022	**1,049.81**	**–**	**–**	**–**	**–**	**1,049.81**

Note 18 : Other payables

Particulars	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro enterprises and small enterprises (refer to note 59)	23.87	172.02
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,125.93	1,371.54
Total	**1,149.80**	**1,543.56**

Note 19 : Debt securities (at amortised cost)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-convertible debentures	109,144.08	118,743.75
Total	**109,144.08**	**118,743.75**
Debt securities in India	109,144.08	118,743.75
Debt securities outside India	–	–
Total	**109,144.08**	**118,743.75**

Particulars	Terms of repayment	As at March 31, 2023	As at March 31, 2022
(A) Non-convertible debentures (secured)			
1 Nil (March 31, 2022: 1500) @Nil (Previous year: 10.30%), Secured, Partially Guaranteed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Non-Convertible Debentures of face value of ₹ Nil (March 31, 2022: ₹ 2,50,000 each). The date of allotment is December 31, 2020. (Secured by way of hypothecation of book debt which shall be maintained at 110% of entire redemption amount of the debentures outstanding)	Redeemable ₹ 3,750 Lakhs on October 02, 2021, ₹ 3,750 Lakhs on December 31, 2021, ₹ 3,750 Lakhs March 31, 2022 and ₹ 3,750 Lakhs on June 30, 2022 and frequency of Interest payment is quarterly.	–	3,737.51

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars		Terms of repayment	As at March 31, 2023	As at March 31, 2022
2	Nil (March 31, 2022: 250) @Nil (Previous year: 10.25%), Secured, Senior, Rated, Listed, Fully paid-up, Redeemable, Taxable, Transferable, Non-Convertible Debentures of face value of ₹ Nil (March 31, 2022: ₹ 10,00,000 each). The date of allotment is October 13, 2020. (Secured by way of hypothecation of book debt which shall be maintained at 110% of principal amount of the debentures outstanding.)	Redeemable at par on April 13, 2022 and frequency of Interest payment is half yearly.	–	2,499.89
3	9,750 (March 31, 2022: 9,750) @10.50% (Previous year: 10.50%), Secured, Not Guaranteed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Non-Convertible Debentures of face value of ₹ 5 each (March 31, 2022: ₹ 50,000 each) The date of allotment is December 16, 2020. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding)	Redeemable at par ₹ 4,874.51 Lakhs (99.99%) on May 6, 2022 and rest ₹ 0.49 Lakhs (.01%) on May 6, 2024 and frequency of Interest payment is half yearly.	0.49	4,841.08
4	Nil (March 31, 2022: 250) @Nil (Previous year: 10.40%), Secured, Partially Guaranteed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Non-Convertible Debentures of face value of ₹ Nil (March 31, 2022: ₹ 10,00,000 each). The date of allotment is November 9, 2020. (Secured by way of hypothecation of book debt which shall be maintained at 110% of principal amount of the debentures outstanding.)	Redeemable at par on May 9, 2022 and frequency of Interest payment is annually.	–	2,498.80
5	Nil (March 31, 2022: 500) @Nil (Previous year: 10.20%), Secured, Guaranteed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Non-Convertible Debentures of face value of ₹ Nil (March 31, 2022: ₹ 10,00,000 each). The date of allotment is December 10, 2020. (Secured by way of hypothecation of book debt which shall be maintained at 125% of principal amount of the debentures outstanding)	Redeemable at par on June 10, 2022 and frequency of Interest payment is annually.	–	4,997.81
6	Nil (March 31, 2022: 650), @Nil (Previous year : 12.06%), Secured, Not Guaranteed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Non-Convertible Debentures of face value of ₹ Nil (March 31, 2022: ₹ 10,00,000 each). The date of allotment is October 3, 2017. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding)	Redeemable on October 3, 2022 and frequency of Interest payment is half yearly.	–	6,499.11
7	600 (March 31, 2022: 600) @11.50% (Previous year: 11.50%), Secured, Not Guaranteed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Non-Convertible Debentures of face value of ₹ 10,00,000 each (March 31, 2022: ₹ 10,00,000 each). The date of allotment is October 23, 2020. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding with exclusivity on security interest)	Redeemable ₹ 1,500 Lakhs (25%) on April 24, 2023, ₹ 1,500 Lakhs (25%) on October 24, 2023 rest ₹ 3,000 Lakhs (50%) on 23 April, 2024 and frequency of Interest payment is half yearly.	5,998.72	5,997.46

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

	Particulars	Terms of repayment	As at March 31, 2023	As at March 31, 2022
8	18,750 (March 31, 2022: 18,750) @11.10% (Previous year: 11.10%), Secured, Not Guaranteed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Non-Convertible Debentures of face value of ₹ 1,00,000 each (March 31, 2022: ₹ 1,00,000 each). The date of allotment is December 22, 2020. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding)	Redeemable ₹ 18,748.13 Lakhs (99.99%) on June 05, 2023 and rest ₹ 1.87 Lakhs (.01%) on June 05, 2025 and frequency of Interest payment is half yearly.	18,640.21	18,598.95
9	250 (March 31, 2022: 250) @11.25% (Previous year: 11.25%), Secured, Not Guaranteed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Non-Convertible Debentures of face value of ₹ 10,00,000 each (March 31, 2022: ₹ 10,00,000 each). The date of allotment is June 30, 2020. (Secured by way of hypothecation of book debt which shall be maintained at 110% of principal amount of the debentures outstanding)	Redeemable at par on June 30, 2023 and frequency of Interest payment is annually.	2,498.79	2,492.92
10	200 (March 31, 2022: 200), @12.75% (Previous year : 12.75%), Secured, Rated, Listed, Redeemable, Transferable, Non-Convertible Debentures of face value of ₹ 25,00,000 each (March 31, 2022: ₹ 25,00,000 each). The date of allotment is July 15, 2014 and roll over date is July 15, 2020. (Secured by way of hypothecation of book debts which shall be maintained at 110% of principal amount of the debentures outstanding)	Redeemable at par on June 30, 2023 (rolled over on July 15, 2020) and frequency of Interest payment is half yearly.	4,999.78	4,998.88
11	250 (March 31, 2022: 250) @11.00% (Previous year: 11.00%), Secured, Not Guaranteed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Non-Convertible Debentures of face value of ₹ 10,00,000 each (March 31, 2022: ₹ 10,00,000 each). The date of allotment is July 28, 2020. (Secured by way of hypothecation of book debt which shall be maintained at 110% of principal amount of the debentures outstanding and interest accrued)	Redeemable at par on July 28, 2023 and frequency of Interest payment is quarterly.	2,495.86	2,481.33
12	250 (March 31, 2022: 250) @10.95% (Previous year: 10.95%), Secured, Not Guaranteed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Non-Convertible Debentures of face value of ₹ 3,33,333.34 each (March 31, 2022: ₹ 6,66,667 each). The date of allotment is July 31, 2020. (Secured by way of hypothecation of book debt which shall be maintained at 110% of principal amount of the debentures outstanding)	Redeemable at par on July 31, 2023 and frequency of Interest payment is half yearly.	830.73	1,655.20
13	970 (March 31, 2022: 970), @11.40% (Previous year : 11.40%), Secured, Rated, Listed, Redeemable, Non-Convertible Debentures of face value of ₹ 10,00,000 each (March 31, 2022: ₹ 10,00,000 each). The date of allotment is July 31, 2018 and roll over date is July 27, 2021. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding)	Redeemable on July 31, 2023 and frequency of Interest payment is half yearly.	9,699.54	9,697.78

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

	Particulars	Terms of repayment	As at March 31, 2023	As at March 31, 2022
14	1,200 (March 31, 2022: 1,200), @11.45% (Previous year: 11.45%), Secured, Not Guaranteed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Non-Convertible Debentures of face value of ₹ 2,50,000 each (March 31, 2022: ₹ 7,50,000 each). The date of allotment is September 27, 2019. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding)	Redeemable at par on September 27, 2023 and frequency of Interest payment is half yearly.	2,999.18	8,997.29
15	2,130 (March 31, 2022: 2,130), @11.095% (Previous year : 11.095%), Secured, Not Guarnateed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Non-Convertible Debentures of face value of ₹ 2,85,714.29 each (March 31, 2022: ₹ 5,71,428.58 each). The date of allotment is December 14, 2018. (Secured by way of hypothecation of book debts which shall be maintained at 100% of principal amount and coupon of the debentures outstanding)	Redeemable on December 14, 2023 and frequency of Interest payment is half yearly.	6,043.57	12,062.97
16	680 (March 31, 2022: 680), @12.00% (Previous year : 11.70%), Secured, Rated, Listed, Redeemable, Non-Convertible Debentures of face value of ₹ 10,00,000 each (March 31, 2022: ₹ 10,00,000 each). The date of allotment is June 15, 2016 and roll over date is June 2, 2022. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding)	Redeemable at par on June 15, 2025 (subject to put option, Exercise Date is June 15, 2024) and frequency of Interest payment is half yearly.	6,800.00	6,799.96
17	19,250 (March 31, 2022: Nil) @11.15% (Previous year: Nil), Secured, Rated, Unlisted, Redeemable, Transferable, Non-Convertible Debentures of face value of ₹ 50,000 each (March 31, 2022: Nil). The date of allotment is June 24, 2022. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding)	Redeemable ₹ 9,624.03 Lakhs (99.99%) on June 24, 2025 and rest ₹ 0.96 Lakhs (.01%) on June 24, 2027 and frequency of Interest payment is half yearly.	9,496.47	–
18	2,060 (March 31, 2022: Nil) @11.6880% (Previous year: Nil), Unlisted, Rated, Secured, Redeemable, Non-Convertible Debentures of face value of ₹ 1,00,000 each (March 31, 2022: Nil). The date of allotment is February 24, 2023. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding)	Redeemable at par on February 24, 2026 and frequency of Interest payment is Quarterly.	2,037.57	–
19	750 (March 31, 2022: 750), @11.7702% (Previous year: 11.7702%), Secured, Rated, Listed, Redeemable, Transferable, Non-Convertible Debentures of face value of ₹ 10,00,000 each (March 31, 2022: ₹ 10,00,000 each). The date of allotment is March 7, 2022. (Secured by way of hypothecation of book debt which shall be maintained at 105% of principal amount of the debentures outstanding and interest accrued)	Redeemable at par on March 6, 2026 and frequency of Interest payment is half yearly.	7,475.60	7,467.13

(All amounts in ₹ lakhs, unless otherwise stated)

	Particulars	Terms of repayment	As at March 31, 2023	As at March 31, 2022
20	300 (March 31, 2022: 300), @11.7702% (Previous year: 11.7702%), Secured, Rated, Listed, Redeemable, Transferable, Non-Convertible Debentures of face value of ₹ 10,00,000 each (March 31, 2022: ₹ 10,00,000 each). The date of allotment is March 30, 2022. (Secured by way of hypothecation of book debt which shall be maintained at 105% of principal amount of the debentures outstanding and interest accrued)	Redeemable at par on March 30, 2026 and frequency of Interest payment is half yearly.	2,997.53	2,996.69
21	373 (March 31, 2022: 373), @11.5000% (Previous year: 11.5000%), Secured, Rated, Listed, Redeemable, Transferable, Non-Convertible Debentures of face value of ₹ 10,00,000 each ((March 31, 2022: ₹ 10,00,000 each). The date of allotment is September 2, 2021. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding and interest accrued)	Redeemable at par on September 2, 2026 (Subject to Call Put Option is exercised on August 30, 2024 and frequency of Interest payment is half yearly.	3,727.82	3,726.25
22	2,500 (March 31, 2022: Nil), @12.3000% (Previous year: Nil), Secured, Rated, Listed, Redeemable, Transferable, Non-Convertible Debentures of face value of ₹ 1,00,000 each (March 31, 2022: ₹ Nil). The date of allotment is January 16, 2023. (Secured by way of hypothecation of book debt which shall be maintained at 105% of principal amount of the debentures outstanding and interest accrued)	Redeemable at par on January 16, 2027 and frequency of Interest payment is half yearly.	2,496.89	–
23	7,840 (March 31, 2022: Nil) @11.7160% (Previous year: Nil) Previous year, Unlisted, Rated, Secured, Redeemable, Non-Convertible Debentures of face value of ₹ 1,00,000 each (March 31, 2022: Nil). The date of allotment is March 13, 2023. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding)	Redeemable at par on March 12, 2027 and frequency of Interest payment is Quarterly.	7,756.64	–
24	650 (March 31, 2022: Nil), @12.1500% (Previous year: Nil), Secured, Rated, Listed, Redeemable, Transferable, Non-Convertible Debentures of face value of ₹ 10,00,000 each (March 31, 2022: ₹ Nil). The date of allotment is December 12, 2022. (Secured by way of hypothecation of book debt which shall be maintained at 105% of principal amount of the debentures outstanding and interest accrued)	Redeemable at par on December 12, 2027 (subject to call put option is exercised on December 12, 2025) and frequency of Interest payment is half yearly.	6,451.38	–
	Total (A)		**103,446.77**	**113,047.01**
(B) Non convertible debentures (unsecured)				
1	570 (March 31, 2022: 570), @11.50%, (Previous year: 11.50%) Unsecured, Senior, Rated, Unlisted, Redeemable,Transferable, Non Convertible Debentures of face value of ₹ 10,00,000 each (March 31, 2022: ₹ 10,00,000 each). The date of allotment is February 28, 2022.	Redeemable at par on February 28, 2028 (subject to put & call options, Exercise Date is February 28, 2024 and February 28, 2025, respectively), frequency of Interest payment is half yearly.	5,697.31	5,696.74
	Total (B)		**5,697.31**	**5,696.74**
Total (A+B)			**109,144.08**	**118,743.75**

Notes to the Standalone Financial Statements
for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Note 20 : Borrowings (other than debt securities) (at amortised cost)

Particulars	As at March 31, 2023	As at March 31, 2022
Term loans		
From banks		
Secured*	178,611.44	200,853.59
From other parties		
Secured#	65,167.07	78,493.77
Overdraft facility against term deposits		
From banks - secured	–	19,418.55
External commercial borrowings		
Secured	21,285.26	12,219.06
Unsecured	19,613.23	18,282.83
Commercial paper (unsecured)	–	2,441.29
Liability against securitised assets (secured)	114,564.33	50,294.24
Liability against leased assets (unsecured)	1,236.37	500.93
Total	**400,477.70**	**382,504.26**
Borrowings in India	359,579.21	352,002.37
Borrowings outside India	40,898.49	30,501.89
Total	**400,477.70**	**382,504.26**

*Includes amount guaranteed by directors in their personal capacity of ₹ 75,799.94 (March 31, 2022 : ₹ 96,573.43)

#Includes amount guaranteed by directors in their personal capacity of ₹ 45,762.81 (March 31, 2022 : ₹ 42,996.67)

Note 21 : Subordinated liabilities (at amortised cost)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-convertible debentures (refer note A)	12,626.25	19,204.80
Term loans from banks	22,500.00	25,500.00
External commercial borrowings	–	329.93
Total	**35,126.25**	**45,034.73**
Subordinated liabilities in India	35,126.25	44,704.80
Subordinated liabilities outside India	–	329.93
Total	**35,126.25**	**45,034.73**

	Particulars	Terms of repayment	As at March 31, 2023	As at March 31, 2022
A	**Non convertible debentures (unsecured)**			
1	Nil (March 31, 2022: 250), @Nil (Previous year: 15.50%), Unsecured, Rated, Subordinated, Redeemable, Non-Convertible Debentures of face value of ₹ Nil (March 31, 2022:₹10,00,000 each). The date of allotment is December 30, 2015.	Redeemable on April 15, 2022 and frequency of Interest payment is quarterly.	–	2,499.98
2	Nil (March 31, 2022: 100), @Nil (Previous year: 15.50%), Unsecured, Rated, Unlisted, Redeemable, Subordinated, Non-Convertible Debentures of face value of ₹ Nil (March 31, 2022: ₹ 10,00,000 each). The date of allotment is June 28, 2016.	Redeemable on September 28, 2022 and frequency of Interest payment is monthly.	–	998.69
3	Nil (March 31, 2022: 100), @Nil (Previous year: 15.00%), Unsecured, Rated, Unlisted, Redeemable, Subordinated, Non-Convertible Debentures of face value of ₹ Nil (March 31, 2022:₹10,00,000 each). The date of allotment is June 29, 2016.	Redeemable on March 31, 2023 and frequency of Interest payment is monthly.	–	1,070.25

(All amounts in ₹ lakhs, unless otherwise stated)

	Particulars	Terms of repayment	As at March 31, 2023	As at March 31, 2022
4	350 (March 31, 2022: 350), @13.85% (Previous year: 13.85%), Unsecured, Unrated, Unlisted, Redeemable, Subordinated, Non-Convertible Debentures of face value of ₹ 10,00,000 each (March 31, 2022: ₹ 10,00,000 each). The date of allotment is March 29, 2017.	Redeemable on April 30, 2023 and frequency of Interest payment is quarterly.	3,499.79	3,498.37
5	100 (March 31, 2022: 100), @15.00% (Previous year: 15.00%), Unsecured, Rated, Unlisted, Redeemable, Subordinated, Non-Convertible Debentures of face value of ₹ 38,795.83 each (March 31, 2022:₹10,00,000 each). The date of allotment is June 29, 2016.	Redeemable on June 30, 2023 and frequency of Interest payment is monthly.	36.25	1,070.25
6	100 (March 31, 2022: 100), @15.00% (Previous year: 15.00%), Unsecured, Rated, Unlisted, Redeemable, Subordinated, Non-Convertible Debentures of face value of ₹ 76,193.08 each (March 31, 2022: ₹ 10,00,000 each). The date of allotment is June 29, 2016.	Redeemable on September 30, 2023 and frequency of Interest payment is monthly.	73.65	1,070.25
7	100 (March 31, 2022: 100), @15.00% (Previous year: 15.00%), Unsecured, Rated, Unlisted, Redeemable, Subordinated, Non-Convertible Debentures of face value of ₹ 10,76,193.08 each (March 31, 2022: ₹ 10,00,000 each). The date of allotment is June 29, 2016.	Redeemable on December 31, 2023 and frequency of Interest payment is quarterly.	1,073.65	1,070.25
8	300 (March 31, 2022: 300), @15.50% (Previous year: 15.50%), Unsecured, Rated, Listed, Redeemable, Subordinated, Taxable, Transferable, Non-Convertible Debentures of face value of ₹ 10,00,000 each (March 31, 2022:₹10,00,000 each). The date of allotment is December 17, 2019.	Redeemable on December 31, 2026 and frequency of Interest payment is half yearly.	2,991.48	2,989.12
9	10,010 (March 31, 2022: 10,010), @ 13.14 % (Previous year: 13.14%), Unsecured, Rated, Unlisted, Redeemable, Subordinated, Taxable, Transferable, Non-Convertible Debentures of face value of ₹ 50,000 each (March 31, 2022: ₹ 50,000 each)., The date of allotment is March 24, 2020.	Redeemable on April 24, 2027 and frequency of Interest payment is half yearly.	4,951.43	4,937.64
Total			**12,626.25**	**19,204.80**

Reconciliation of liabilities arising from financing activities

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

Particulars	Debt securities	Borrowings (other than debt)	Subordinated liabilities	Liability against leased assets	Total
April 01, 2021	170,507.14	380,983.43	50,412.79	659.72	602,563.08
Cash flows:					
– Repayment	(81,783.71)	(310,460.73)	(5,369.41)	(220.70)	(397,834.55)
– Proceeds from overdraft facility	–	8,428.58	–	–	8,428.58
– Proceeds other than overdraft facility	29,630.00	302,591.32	–	–	332,221.32
	(52,153.71)	**559.17**	**(5,369.41)**	**(220.70)**	**(57,184.65)**
Non cash:					
– Addition during the year	–	–	–	14.71	14.71
– Foreign exchange	–	418.11	(50.19)	–	367.92
– Amortisation of upfront fees and others	435.00	1,493.82	41.54	–	1,970.36
– Deferment of upfront processing fee	(44.68)	(1,451.20)	–	–	(1,495.88)
– Others	–	–	–	47.20	47.20
March 31, 2022	**118,743.75**	**382,003.33**	**45,034.73**	**500.93**	**546,282.74**

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Debt securities	Borrowings (other than debt)	Subordinated liabilities	Liability against leased assets	Total
Cash flows:					
– Repayment	(38,043.56)	(361,454.70)	(9,890.93)	(615.42)	(410,004.61)
– Proceeds from overdraft facility	–	(19,418.55)	–	–	(19,418.55)
– Proceeds other than overdraft facility	28,525.00	397,979.02	–	73.83	426,577.85
	(9,518.56)	**17,105.77**	**(9,890.93)**	**(541.59)**	**(2,845.31)**
Non cash:					
– Addition during the year	–	–	–	1,177.33	1,177.33
– Foreign exchange	–	593.54	(53.08)	–	540.46
– Amortisation of upfront fees and others	234.57	1,378.98	35.53	–	1,649.08
– Deferment of upfront processing fee	(315.68)	(1,840.29)	–	–	(2,155.97)
– Others	–	–	–	99.70	99.70
As at March 31, 2023	**109,144.08**	**399,241.33**	**35,126.25**	**1,236.37**	**544,748.03**

Notes:

i) The Borrowings together with debt securities and subordinate liabilities referred in notes 19, 20 and 21 are secured by way hypothecation of portfolio loans arising out of its business operations, cash collateral in the form of fixed deposits.

ii) Vehicles and building are hypothecated for respective borrowings availed for purchase of property plant and equipment's.

Terms of repayment of debt securities, other borrowings and subordinated liabilities as on March 31, 2023 are as follows:#

Repayment	Interest rate range	Due within 1 year		Due within 1 to 2 years		Due within 2 to 3 years		Due within 3 to 4 years		Due after 4 years		Total Amount
		No. of instalments	Amount	No. of instalments	Amount	No. of instalments	Amount	No. of instalments	Amount	No. of instalments	Amount	
Monthly	Below 9.00%	209	6,298.02	165	1,697.70	112	28.10	84	23.27	15	3.62	8,050.71
	9% to 12%	4,323	151,467.68	2,024	49,488.30	726	1,537.94	127	82.37	73	86.74	202,663.03
	12.01% to 15%	208	21,707.61	146	15,769.85	5	583.33	–	–	–	–	38,060.79
	Above 15%	42	437.50	–	–	–	–	–	–	–	–	437.50
Quarterly	Below 9.00%	3	321.43	4	428.57	–	–	–	–	–	–	750.00
	9% to 12%	55	52,263.03	31	28,070.09	12	10,591.51	4	2,466.51	11	6,782.89	100,174.03
	12.01% to 15%	21	11,937.50	9	6,500.00	2	500.00	–	–	–	–	18,937.50
	Above 15%	–	–	–	–	–	–	–	–	–	–	–
Semi-annually	Below 9.00%	2	2,671.50	2	2,671.50	–	–	–	–	–	–	5,343.00
	9% to 12%	8	8,685.71	3	1,000.00	–	–	–	–	–	–	9,685.71
	12.01% to 15%	–	–	–	–	–	–	–	–	–	–	–
	Above 15%	–	–	–	–	2	1,500.00	2	1,500.00	–	–	3,000.00
Annually	9% to 12%	1	833.33	–	–	–	–	–	–	–	–	833.33
Bullet	Below 9.00%	1	2,500.00	1	4,110.85	–	–	–	–	–	–	6,610.85
	9% to 12%	8	19,600.00	–	–	–	–	2	12,332.54	–	–	31,932.54
	12.01% to 15%	13	25,091.18	2	10,530.00	4	35,959.52	2	10,340.00	–	–	81,920.70
	Above 15%	1	2,500.00	–	–	–	–	–	–	–	–	2,500.00
On demand	9% to 12%	2	18,748.13	2	0.49	4	9,625.91	–	–	2	0.96	28,375.49
	12.01% to 15%	3	6,000.00	2	4,875.00	5	13,629.50		–	2	0.50	24,505.00
Total		**4,900**	**331,062.61**	**2,391**	**125,142.34**	**872**	**73,955.81**	**221**	**26,744.69**	**103**	**6,874.71**	**563,780.17**

Terms of repayment of debt securities, other borrowings and subordinated liabilities as on March 31, 2022 are as follows:#

Repayment	Interest rate range	Due within 1 year		Due within 1 to 2 years		Due within 2 to 3 years		Due within 3 to 4 years		Due after 4 years		Total Amount
		No. of instalments	Amount	No. of instalments	Amount	No. of instalments	Amount	No. of instalments	Amount	No. of instalments	Amount	
Monthly	Below 9.00%	224	19,753.98	169	8,794.40	97	1,684.16	48	12.71	24	6.89	30,252.14
	9% to 12%	224	90,779.02	92	27,650.39	25	12,168.24	–	–	–	–	130,597.65
	12.01% to 15%	362	7,375.64	90	937.50	–	–	–	–	–	–	8,313.14
	Above 15%	–	–	–	–	–	–	–	–	–	–	–
Quarterly	Below 9.00%	10	5,300.00	2	500.00	–	–	–	–	–	–	5,800.00
	9% to 12%	55	48,800.12	36	33,851.71	5	6,310.61	–	–	–	–	88,962.44
	12.01% to 15%	10	2,277.33	3	1,000.00	–	–	–	–	–	–	3,277.33
	Above 15%	–	–	–	–	–	–	–	–	–	–	–
Semi-annually	Below 9.00%	2	2,671.50	2	2,671.50	2	2,671.50	–	–	–	–	8,014.50
	9% to 12%	17	20,435.71	8	8,685.71	3	1,000.00	–	–	–	–	30,121.42
	12.01% to 15%	–	–	–	–	–	–	–	–	–	–	–
	Above 15%	–	–	–	–	–	–	2	1,500.00	2	1,500.00	3,000.00

(All amounts in ₹ lakhs, unless otherwise stated)

Repayment	Interest rate range	Due within 1 year		Due within 1 to 2 years		Due within 2 to 3 years		Due within 3 to 4 years		Due after 4 years		Total Amount
		No. of instalments	Amount	No. of instalments	Amount	No. of instalments	Amount	No. of instalments	Amount	No. of instalments	Amount	
Annually	9% to 12%	1	833.33	1	833.33	–	–	–	–	–	–	1,666.66
Bullet	Below 9.00%	4	15,000.00	–	–	–	–	–	–	–	–	15,000.00
	9% to 12%	15	49,540.16	2	5,000.00	1	3,776.00	–	–	2	11,327.99	69,644.15
	12.01% to 15%	3	17,604.77	5	26,400.00	1	3,730.00	1	20,000.00	–	–	67,734.77
	Above 15%	3	6,500.00	–	–	–	–	–	–	–	–	6,500.00
On demand	Variable rates	6	40,293.06	5	24,748.13	4	4,875.49	7	13,631.37	2	0.50	83,548.55
Total		**936**	**327,164.62**	**415**	**141,072.67**	**138**	**36,216.00**	**58**	**35,144.08**	**30**	**12,835.38**	**552,432.75**

All the above mentioned repayments disclosed as per the contractual maturities of debt securities, borrowing other than debt securities and subordinate liabilities at gross carrying value.

Note 22 : Other financial liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Interest accrued on debt securities	2,936.78	3,443.57
Interest accrued on borrowings other than debt securities	1,602.28	1,643.47
Interest accrued on subordinated liabilities	419.68	460.45
Payable towards assignment/securitisation transactions	18,038.37	17,709.04
Margin money received from customers	–	104.97
First loss default guarantee	1,115.39	1,677.01
Payable to employees	1,118.13	747.68
Security deposit received	36.75	29.68
Insurance payables	22.97	418.27
Financial liability for corporate guarantee	244.18	167.24
Unclaimed amount of preference shares	8.26	8.26
Total	**25,542.79**	**26,409.64**

Note 23 : Current tax liabilities (net)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for tax (net)	–	100.06
Total	**–**	**100.06**

Note 24 : Provisions

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for gratuity (refer note 48)	–	2.90
Provision for compensation absences (refer note 48)	703.72	770.16
Provision for compassionate	0.13	2.78
Total	**703.85**	**775.84**

Note 25 : Other non-financial liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred income	–	2.03
Statutory dues payables	579.63	751.99
Total	**579.63**	**754.02**

Notes to the Standalone Financial Statements
for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Note 26 : Equity share capital

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number	Amount	Number	Amount
A Authorised				
Equity share capital of face value of ₹ 10 each				
At the beginning of the year	105,000,000	10,500.00	95,000,000	9,500.00
Additions during the year	–	–	10,000,000	1,000.00
	105,000,000	**10,500.00**	**105,000,000**	**10,500.00**
B Issued and subscribed				
Equity share capital of face value of ₹ 10 each				
At the beginning of the year	75,143,893	7,514.39	72,066,977	7,206.70
Additions during the year	10,205,128	1,020.51	3,076,916	307.69
	85,349,021	**8,534.90**	**75,143,893**	**7,514.39**
C Issued and Paid-up				
Fully paid-up				
Equity share capital of face value of ₹ 10 each				
At the beginning of the year	75,018,997	7,501.90	52,038,194	5,203.82
Additions during the year	10,205,128	1,020.51	22,980,803	2,298.08
	85,224,125	**8,522.41**	**75,018,997**	**7,501.90**
Less: Amount recoverable from Satin Employees Welfare Trust	(482,946)	(48.29)	(482,946)	(48.29)
(Equity shares of ₹ 10 each allotted to the Satin Employees Welfare Trust)	84,741,179	8,474.12	74,536,051	7,453.61
Add: Forfeited shares (amount originally paid on 1,24,896 equity shares (March 31, 2022: 1,24,896 equity shares)	–	5.51	–	5.51
	84,741,179	**8,479.63**	**74,536,051**	**7,459.12**
D Reconciliation of number of equity shares outstanding at the beginning and at the end of the year				
Balance at the beginning of the year	75,018,997	7,501.90	72,020,477	6,702.49
Add: Call money received during the year	–	–	–	494.88
Add: Issued during the year	10,205,128	1,020.51	3,076,916	307.69
Less: Forfeited shares	–	–	78,396	3.16
	85,224,125	**8,522.41**	**75,018,997**	**7,501.90**
E Reconciliation of number of equity shares issued to Satin Employees Welfare Trust outstanding at the beginning and at the end of the year				
Balance at the beginning of the year	482,946	48.29	482,946	44.94
Add: Call money received during the year	–	–	–	3.35
	482,946	**48.29**	**482,946**	**48.29**

F During the current financial year, the Company has allotted 1,02,05,128 equity shares of face value of ₹ 10/- to Trishashna Holdings & Investments Private Ltd' (THIPL) (entity belonging to promoter group) and Florintree Ventures LLP (entity belonging to non-promoter group) pursuant to conversion of Fully Convertible Warrants of ₹ 10 each at issue price of ₹ 81.25 per warrant including premium of ₹ 71.25 per warrant.

G Rights, preferences and restrictions

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

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

Name of shareholder	As at March 31, 2023		As at March 31, 2022	
	Number	%	Number	%
Trishashna Holdings & Investments Private Limited (THIPL)	31,579,692	37.05%	25,477,128	33.96%
Nordic Microfinance Initiative Fund III KS	4,663,136	5.47%	4,663,136	6.22%

(All amounts in ₹ lakhs, unless otherwise stated)

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

i) On May 30, 2018, the Company had allotted 1,230,098 equity shares of ₹ 10 each on conversion of 1,230,098, 0.01% Optionally Convertible, Redeemable Preference Shares ("OCRPS") of face value of ₹ 10 each fully paid-up to Capital First Limited (entities belonging to non-promoter group).

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

J Shares reserved for issue under options

For details of shares reserved for issue under the Employee Stock Option Plan (ESOP), refer note 54.

K The information required to be disclosed that enables user of its financial statements to evaluate the its objectives, policies and process for managing capital is disclosed in note 45.

L Shareholdings of Promoters

Promoter Name	As at March 31, 2023		As at March 31, 2022		% Change during the year
	No. of Shares	% of Total Shares	No. of Shares	% of Total Shares	
Mrs. Anureet HP Singh	726,148	0.85%	726,148	0.97%	(0.12%)
Mr. Harbans Singh (deceased)	406,402	0.48%	406,402	0.54%	(0.06%)
Mr. Satvinder Singh	385,703	0.45%	385,703	0.51%	(0.06%)
Mrs. Neeti Singh	204,092	0.24%	204,092	0.27%	(0.03%)
Trishashna Holdings & Investments Private Limited	31,579,692	37.05%	25,477,128	33.96%	3.09%
Wisteria Holdings & Investments Private Limited	322,262	0.38%	322,262	0.43%	(0.05%)
Total	**33,624,299**	**39.45%**	**27,521,735**	**36.68%**	2.77%

Note 27 : Other equity

Particulars	As at March 31, 2023	As at March 31, 2022
Capital redemption reserve	2,777.00	2,777.00
Statutory reserve	16,057.47	10,770.89
General reserve	29.94	29.94
Securities premium	113,726.31	106,455.16
Retained earnings	48,663.24	27,539.10
Money received against share warrants	2,927.08	5,000.00
Other comprehensive income:		
Equity instruments through other comprehensive income	(2,049.12)	(5.00)
Changes in fair value of loan assets	760.13	578.06
Cash flow hedge reserve	–	20.56
Total	**182,892.05**	**153,165.71**

Nature and purpose of other reserve

Capital redemption reserve

The same had been created in accordance with provisions of the Companies Act 2013 on account of redemption of preference shares.

Statutory reserve

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

(All amounts in ₹ lakhs, unless otherwise stated)

General reserve

The Management has transferred a portion of the net profit to general reserve before declaring dividend pursuant to the provision of erstwhile Companies Act.

Securities premium

Securities premium represents premium received on issue of shares. The amount is utilised in accordance with the provisions of the Companies Act 2013.

Money received against share warrants

During the last year, the Company had allotted Fully Convertible Warrants of ₹ 10 each at issue price of ₹ 81.25 per warrant including premium of ₹ 71.25 per warrant (25% of which was paid on allotment of warrant and 75% shall be payable at the time of exercising the warrants) on preferential basis to Trishashna Holdings & Investments Private Ltd (THIPL) (1,23,07,692 warrants) (entity belonging to promoter group) and Florintree Ventures LLP (1,23,07,692 warrants) (entity belonging to non-promoter group) on January 25, 2022. Out of the said warrants 1,02,05,128 warrants (61,02,564 warrants by THIPL and 41,02,564 warrants by Florintree Ventures LLP) have been converted during the year.

Equity instruments through other comprehensive income

This represents the cumulative gains and losses arising on the fair valuation of equity instruments measured at fair value through other comprehensive income.

Changes in fair value of loan assets

This represents the cumulative gains and losses arising on the fair valuation of loan assets classified under business model of hold and hold to collect and sell.

Cash flow hedge reserve

Cash flow hedge reserve is used to eliminate or reduce the exposure that arises from changes in the cash flows of a financial asset or liability (or other eligible exposure) due to changes in a particular risk, such as interest rate risk on a floating rate debt instrument.

Note 28 : Interest income

Particulars	For the year ended March 31, 2023			For the year ended March 31, 2022		
	On financial assets measured at amortised cost	On financial assets measured classified at FVTPL	On financial assets measured classified at FVOCI	On financial assets measured at amortised cost	On financial assets measured classified at FVTPL	On financial assets measured classified at FVOCI
Interest income on portfolio loans	23,727.92	–	85,674.99	7,196.81	–	103,722.70
Interest income on deposits	4,376.39	–	–	4,382.21	–	–
Interest income on certificate of deposits and commercial papers	–	256.56	–	–	738.64	–
Interest income on unwinding of assigned portfolio	1,972.58	–	–	970.38	–	–
Sub total	**30,076.89**	**256.56**	**85,674.99**	**12,549.40**	**738.64**	**103,722.70**
Total interest income			**116,008.44**			**117,010.74**

Note 29 :Dividend income

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Dividend income	0.17	3.15
Total	**0.17**	**3.15**

Notes to the Standalone Financial Statements
for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Note 30 : Rental income

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Rental income on building	117.41	110.71
Total	**117.41**	**110.71**

Note 31 : Fees and commission income

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Service fee and facilitation charges	1,741.05	468.02
Income from business correspondent operations*	399.15	1,920.67
Total	**2,140.20**	**2,388.69**

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

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Type of Services or service		
Income from business correspondent operations	399.15	1,920.67
Total revenue from contracts with customers	**399.15**	**1,920.67**
Geographical markets		
India	399.15	1,920.67
Outside India	–	–
Total revenue from contracts with customers	**399.15**	**1,920.67**
Timing of revenue recognition		
Services transferred at a point in time	–	–
Services transferred over time	399.15	1,920.67
Total revenue from contracts with customers	**399.15**	**1,920.67**

Particulars	As at March 31, 2023	As at March 31, 2022
Contract balances		
Trade receivable	40.97	124.53
Contract assets	825.64	2,250.84
Contract liabilities	–	–

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

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue as per Contract	399.15	1,920.67
Adjustments	–	–
Discount	–	–
Revenue from contract with customers	**399.15**	**1,920.67**

Note 32 : Net gain/(loss) on fair value changes

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(A) Net gain/(loss) on financial instruments measured at fair value through profit or loss		
– Investments		
Fair value gain on mutual funds	375.18	264.81
Gain on fair valuation of subsidiaries	35,215.77	–
Gain/(Loss) on fair valuation of other investments	1.19	–

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(B) Others		
– Derivatives	1,038.89	1,158.62
Total	**36,631.03**	**1,423.43**
Fair value changes		
– Realised	375.18	263.11
– Unrealised	36,255.85	1,160.32
Total	**36,631.03**	**1,423.43**

Note 33 : Net gain on derecognition of financial instruments

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Gain on sale of loan portfolio through assignment	20,964.37	4,954.65
Total	**20,964.37**	**4,954.65**

Note 34 : Other operating income

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Commitment and other charges	243.68	303.38
Total	**243.68**	**303.38**

Note 35 : Other income

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Net gain on derecognition of property, plant and equipment	2.95	–
Net gain on termination of leases	7.59	7.78
Corporate guarantee premium income	38.64	15.56
Total	**49.18**	**23.34**

Note 36 : Finance costs (on financial liabilities measured at amortised cost)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest on borrowings (other than debt securities)	38,029.28	34,568.25
Interest on debt securities	12,625.36	18,443.01
Interest on subordinated liabilities*	5,571.18	6,637.98
Interest expense for leasing arrangements	120.58	63.82
Other interest expenses	886.99	737.77
Bank charges	369.08	190.36
Total	**57,602.47**	**60,641.19**

* This includes dividend on Cumulative, Non-Participative, Non Convertible, Compulsorily Redeemable Preference Shares of ₹ Nil (March 31. 2022 : ₹ 20.31 Lakhs) paid during the year along with redemption of the same.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

37 : Impairment on financial instruments

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
	On financial assets measured at amortised cost	On financial assets measured at FVTOCI	On financial assets measured at amortised cost	On financial assets measured at FVTOCI
Loans written off	–	59,469.91	–	11,810.92
Impairment loss allowance on other receivable	25.37	–	3.61	–
Impairment allowance on loans	204.20	(19,469.97)	139.99	5,587.91
Total	**229.57**	**39,999.94**	**143.60**	**17,398.83**

Note 38 : Employee benefits expenses

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries, wages and bonus	28,859.47	29,144.74
Contribution to provident and other funds	2,422.02	2,898.84
Staff welfare expenses	350.08	398.43
Total	**31,631.57**	**32,442.01**

Note 39 : Depreciation and amortisation

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation on property, plant and equipment	1,005.94	1,091.19
Depreciation on right-of-use assets	513.05	175.77
Depreciation on investment property	34.00	35.75
Amortisation of intangible assets	67.28	76.08
Total	**1,620.27**	**1,378.79**

Note 40 : Other expenses

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Travelling and conveyance	2,142.96	505.21
Legal and professional charges	1,683.65	1,620.86
Insurance	362.38	475.42
Rent	1,205.91	1,475.64
Auditor's fee and expenses*	40.94	37.41
Rates and taxes	44.82	31.15
Repairs and maintenance	691.31	550.07
Director's fees, allowances and expenses	82.91	60.06
Documentation charges	347.09	127.34
Corporate social responsibility#	175.45	334.51
Net loss on derecognition of property, plant and equipment	–	22.78
Property, plant and equipment written off	6.01	39.14
Printing and stationery	470.97	347.53
Communication costs	400.90	427.65
(Write back)/write off against first loss default guarantee	(31.76)	(15.79)
First loss default guarantee (reversal)/expenses	(561.63)	(364.27)

Notes to the Standalone Financial Statements
for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Advertisement and publicity	230.85	99.23
Cash embezzlement	119.92	102.78
Other administrative expenses	2,159.65	1,573.29
Miscellaneous expenses	1,398.29	827.63
Total	**10,970.62**	**8,277.64**

*** Remuneration to auditors comprises of (excluding applicable taxes):**

As auditors	35.50	31.00
Other services	1.26	5.52
Reimbursement of expenses	4.18	0.89
	40.94	**37.41**

 # Corporate social responsibility expenses

The Company's expenses towards Corporate Social Responsibility (CSR) activities as follows:

	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
a)	Amount required to be spent during the year	175.45	334.51
b)	Amount of expenditure incurred*	175.45	153.30
c)	Shortfall/(excess) at the end of the year	–	181.21
d)	Total of previous years shortfall	–	–
e)	Reason for shortfall*	NA	pertains to ongoing project
f)	Nature of CSR activities	(i) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects and (ii) Disaster management including relief, rehabilitation and reconstruction activities	
g)	Details of related party transactions, e.g.,contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	NIL	NIL
h)	Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision	NA	NA

* During the previous year, the company had ongoing project under CSR activity (Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects) and balance unspent amount of ₹ 181.21 lakhs as on March 31, 2022 was transferred to a separate account in the current year as per the resolution passed by CSR committee in their meeting held on March 7, 2022 as allowed under Companies Act, 2013. The company has spent this amount during the current year under the said ongoing project.

Note 41 : Tax expense

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current tax	–	2,926.07
Income tax for earlier years	(30.37)	206.16
Deferred tax charge/(credit)	7,697.49	(1,218.71)
Tax expense reported in the Statement of Profit and Loss	**7,667.12**	**1,913.52**

(All amounts in ₹ lakhs, unless otherwise stated)

The major components of tax expense and its reconciliation to expected tax expense based on the enacted tax rate applicable to the Company is 25.168% (March 31, 2022: 25.168%) and the reported tax expense in statement of profit and loss are as follows:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Accounting profit before tax expense	34,100.04	5,936.03
Income tax rate	25.168%	25.168%
Expected tax expense	8,582.30	1,493.98
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense		
Tax impact of expenses which is non deductible	58.08	197.72
Impact of change in tax rates	(805.74)	–
Income tax for earlier years	(30.37)	206.16
Others	(137.15)	15.66
Tax expense	**7,667.12**	**1,913.52**

Note 42 : Earnings per share (EPS)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Net profit after tax attributable to equity shareholders		
Net profit for the year for basic earnings per share	**26,432.92**	**4,022.51**
Dilutive impact of share warrants	–	–
Net profit for the year for diluted earnings per share	**26,432.92**	**4,022.51**
Nominal value of equity share (₹)	10	10
Weighted-average number of equity shares for basis earnings per share	78,231,361	69,888,690
Effect of dilution:		
Share warrants	3,602,564	6,153,846
Weighted-average number of equity shares used to compute diluted earnings per share	**81,833,925**	**76,042,536**
Basic earnings per share (₹)	**33.79**	**5.76**
Diluted earnings per share (₹)	**32.30**	**5.29**

Note 43 : Financial instruments

A Financial assets and liabilities

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

Particulars	Note	As at March 31, 2023	As at March 31, 2022
Financial assets measured at fair value			
Derivative financial instruments fair value through profit and loss	Note - 6	2,231.64	1,192.75
Loans measured at fair value through other comprehensive income	Note - 8	371,636.22	388,533.16
Investments* measured at			
(i) Fair value through other comprehensive income	Note - 9	5,936.39	4,505.00
(ii) Fair value through profit and loss	Note - 9	68,087.61	169.75
Financial assets measured at amortised cost			
Cash and cash equivalents	Note - 4	21,335.16	104,900.58
Bank balances other cash and cash equivalents	Note - 5	81,540.28	86,565.38
Trade receivables	Note - 7	241.12	239.41
Loans	Note - 8	196,784.97	101,206.60
Investments	Note - 9	127.81	181.87
Security deposits	Note - 10	208.43	206.56
Other financial assets	Note - 10	1,398.26	1,898.58
Total		**749,527.89**	**689,599.64**

(All amounts in ₹ lakhs, unless otherwise stated)

Financial liabilities measured at amortised cost			
Trade payables	Note - 17	198.23	1,049.81
Other payables	Note - 18	1,149.80	1,543.56
Debt securities (including interest accrued)	Note - 19 and 22	112,080.86	122,187.32
Borrowings other than debt securities (including interest accrued)	Note - 20 and 22	402,079.98	384,147.73
Sub-ordinated liabilities (including interest accrued)	Note - 21 and 22	35,545.93	45,495.18
Other financial liabilities	Note - 22	20,584.05	20,862.15
Total		**571,638.85**	**575,285.75**

* During the current year the company has changed its accounting policy for investment in subsidiaries from cost method as per Ind AS 27 'Seperate Financial Statements' to fair value through profit and loss (FVTPL) as per Ind AS 109 'Financial Instruments'. However the figures pertainig to previous year are not presented here as, investment in subsidiaries was measured at cost as per Ind AS 27, 'Separate Financial Statements'. (also refer note 9)

B Fair values hierarchy

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

The categories used are as follows:

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

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

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

Valuation technique used to determine fair value

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

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

As at March 31, 2023	Level 1	Level 2	Level 3	Total
Assets				
Loans at fair value through other comprehensive income				
Loans	–	371,636.22	–	371,636.22
Investments at fair value through other comprehensive income				
Security Receipts (refer note 57 (D))	–	–	5,936.39	5,936.39
Investments at fair value through profit and loss				
Government securities	–	0.51	–	0.51
Equity investment in subsidiaries	–	68,087.10	–	68,087.10
Derivative financial assets at fair value through profit and loss				
Currency and interest swaps	–	2,231.64	–	2,231.64

As at March 31, 2022	Level 1	Level 2	Level 3	Total
Assets				
Loans at fair value through other comprehensive income				
Loans	–	388,533.16	–	388,533.16
Investments at fair value through other comprehensive income				
Security Receipts (refer note 57 (D))	–	–	4,505.00	4,505.00
Investments at fair value through profit and loss				
Mutual funds	59.24	–	–	59.24
Government securities	–	0.51	–	0.51
Derivative financial assets at fair value through profit and loss				
Currency and interest swaps	–	1,192.75	–	1,192.75

(All amounts in ₹ lakhs, unless otherwise stated)

Valuation process and technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

(a) Eligible loans valued by discounting the aggregate future cash flows (both principal and interest cash flows) with discount rate that commensurate with the risk inherent in the expected cash flows for the remaining portfolio tenor.

(b) The use of net asset value for certificate of deposits and mutual funds on the basis of the statement received from investee party.

(c) The value of derivative contracts are determined using mark to market value shared by contracting bank at balance sheet date.

(d) The use of net asset value for security receipts on the basis of the value declared by investee party.

(e) The use of net asset value for government securities on the basis of the value declared by government.

(f) The use of valuation report obtained from registered valuer for investment in subsidiaries.

B.2 Fair value of instruments measured at amortised cost

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Cash and cash equivalents	21,335.16	21,335.16	104,900.58	104,900.58
Bank balances other than cash and cash equivalents	81,540.28	81,540.28	86,565.38	86,565.38
Trade receivables	241.12	241.12	239.41	239.41
Loans	196,784.97	196,784.97	101,206.60	101,206.60
Investments	127.81	127.81	181.87	181.87
Security deposits	208.43	203.00	206.56	208.78
Other financial assets	1,398.26	1,398.26	1,898.58	1,898.58
Total	**301,636.03**	**301,630.60**	**295,198.98**	**295,201.20**
Financial liabilities				
Trade payables	198.23	198.23	1,049.81	1,049.81
Other payables	1,149.80	1,149.80	1,543.56	1,543.56
Debt securities (including interest accrued)	112,080.86	116,395.35	122,187.32	125,708.30
Borrowings other than debt securities (including interest accrued)	402,079.98	402,729.75	384,147.73	386,438.39
Sub-ordinated liabilities (including interest accrued)	35,545.93	35,744.34	45,495.18	45,986.26
Other financial liabilities	20,584.05	20,584.05	20,862.15	20,862.15
Total	**571,638.85**	**576,801.52**	**575,285.75**	**581,588.47**

The management assessed that fair values of cash and cash equivalents, other bank balances, trade receivables and trade payables approximate their respective carrying amounts, largely due to the short-term maturities of these instruments. The following methods and assumptions were used to estimate the fair values for other assets and liabilities:

(i) The fair values of the Company's fixed interest bearing loans are determined by applying set of discount rates and then averaged out to arrive at the fair value.

(ii) The fair values of the Company's fixed rate interest-bearing debt securities, borrowings and subordinated liabilities are determined by applying discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. For variable rate interest-bearing debt securities, borrowings and subordinated liabilities, carrying value represent best estimate of their fair value as these are subject to changes in underlying interest rate indices as and when the changes happen.

(All amounts in ₹ lakhs, unless otherwise stated)

Note 44 : Financial risk management

i) Risk Management

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

Risk	Exposure arising from	Measurement	Risk management
Credit risk	Cash and cash equivalents (excluding cash on hand), other bank balances, investments, loans, trade receivables and other financial assets	Credit limit and ageing analysis	Highly rated bank deposits and diversification of asset base and collaterals taken for assets
Liquidity risk	Borrowings, debt securities, subordinated liabilities, trade payables and other financial liabilities	Cash flow forecasts	Committed borrowing and other credit facilities and sale of loan assets (whenever required) Maintaining high level of liquidity by investing in liquid instruments
Market risk - foreign exchange	Financial assets and liabilities not denominated in Indian rupee ₹	Cash flow forecasting	Currency and interest rate swaps
Market risk - interest rate	Change in interest rate of variable rates borrowings, debt securities and subordinated liabilities	Sensitivity analysis	Review of cost of funds and pricing disbursement
Market risk - security price	Investments in equity securities, mutual funds, certificate of deposits and commercial papers	Sensitivity analysis	Diversification of portfolio, with focus on strategic investments

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

A) Credit risk

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

a) Credit risk management

Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. 'The Company assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Company has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties, including regular collateral revisions. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

(i) Low credit risk

(ii) Moderate credit risk

(iii) High credit risk

(All amounts in ₹ lakhs, unless otherwise stated)

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

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

Financial assets that expose the entity to credit risk*

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Low credit risk		
Cash and cash equivalents	17,312.89	100,142.36
Bank balances other than cash and cash equivalents	81,540.28	86,565.38
Trade receivables	241.72	248.96
Loans	558,989.93	474,351.89
Investments	8,758.24	4,686.87
Security deposits	208.43	206.56
Other financial assets	1,293.39	1,902.72
(ii) Moderate credit risk		
Loans	2,018.35	5,280.63
(iii) High credit risk		
Loans	19,297.93	44,579.96
Other financial assets	140.27	–

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

Cash and cash equivalents and bank deposits

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

Trade receivables

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

Other financial assets measured at amortized cost

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

Loans

The Company closely monitors the credit-worthiness of the borrower's through internal systems and appraisal process to assess the credit risk and define credit limits of borrower, thereby, limiting the credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties. These processes include a detailed appraisal methodology, identification of risks and suitable structuring and credit risk mitigation measures. The Company assesses increase in credit risk on an ongoing basis for amounts loan receivables that become past due and default is considered to have occurred when amounts receivable become 90 days past due.

The major guidelines for selection of the client includes:

- The client's income and indebtedness levels must be within the prescribed guidelines of Reserve Bank of India
- The client's household must be engaged in some form of economic activity which ensures regular and assured income
- The client must possess the required Know Your Client (KYC) documents
- Client must agree to follow the rules and regulations of the organization

(All amounts in ₹ lakhs, unless otherwise stated)

- Credit bureau check – In order to deal with the problem of over extension of credit and indebtedness of the client, the organisation undertakes credit bureau checks compulsorily for every client. The credit bureau check helps the organisation in identifying clients with poor repayment histories and multiple loans.

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

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

Assets are written off when there is no reasonable expectation of recovery. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.

b) Credit risk exposure

i) Expected credit losses for financial assets other than loans

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

As at March 31, 2022	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	100,142.36	–	100,142.36
Bank balances other than cash and cash equivalents	86,565.38	–	86,565.38
Trade receivables	248.96	9.55	239.41
Investments	4,686.87	–	4,686.87
Security deposits	206.56	–	206.56
Other financial assets	1,902.72	–	1,902.72

ii) Expected credit loss for loans

Definition of default:

The Company considers default in all cases when the borrower becomes more than 90 days past due on its contractual payments. 'The Expected Credit Loss (ECL) is measured at 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 loan assets. ECL is the product of the Probability of Default, Exposure at Default and Loss Given Default.

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

Particulars	Stage 1	Stage 2	Stage 3
Gross carrying amount as at April 1, 2021	**517,705.13**	**12,973.14**	**49,755.90**
Assets originated*	273,792.96	563.79	1,998.56
Net transfer between stages			
Transfer to stage 1	7,843.89	(7,270.15)	(573.74)
Transfer to stage 2	(6,062.50)	6,145.71	(83.21)
Transfer to stage 3	(6,879.09)	(3,132.25)	10,011.34
Assets derecognised or collected (excluding write offs)	(312,048.50)	(3,999.61)	(4,287.58)
Write - offs (including death cases)	–	–	(12,241.31)
Gross carrying amount as at March 31, 2022	**474,351.89**	**5,280.63**	**44,579.96**

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Stage 1	Stage 2	Stage 3
Assets originated*	451,377.68	656.17	858.77
Net transfer between stages			
Transfer to stage 1	224.64	(207.59)	(17.05)
Transfer to stage 2	(15,623.34)	15,635.51	(12.17)
Transfer to stage 3	(36,048.81)	(3,499.46)	39,548.27
Assets derecognised or collected (excluding write offs)	(315,292.13)	(3,347.58)	(14,928.86)
Write - offs (including death cases)	–	(12,499.33)	(50,730.99)
Gross carrying amount as at March 31, 2023	**558,989.93**	**2,018.35**	**19,297.93**

* Assets originated has been presented net of collection made during the year.

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

Reconciliation of loss allowance	Loans			Other financial
	Stage 1	Stage 2	Stage 3	assets
Loss allowance on April 1, 2021	**2,573.10**	**5,743.51**	**20,621.34**	**6.43**
Increase of provision due to assets originated during the year	605.04	160.45	873.25	–
Net transfer between stages				
Transfer to stage 1	2,119.30	(1,889.96)	(229.34)	–
Transfer to stage 2	(98.42)	134.92	(36.50)	–
Transfer to stage 3	(701.81)	(942.71)	1,644.52	–
Assets derecognised or collected	(416.89)	(546.67)	(6,197.69)	7.26
Impact of ECL on exposures transferred between stages during the year	(2,794.81)	1,557.36	12,294.73	–
Loss allowance on March 31, 2022	**1,285.51**	**4,216.90**	**28,970.31**	**13.69**
Increase of provision due to assets originated during the year	838.87	227.27	460.90	–
Net transfer between stages				
Transfer to stage 1	106.06	(98.68)	(7.38)	–
Transfer to stage 2	(19.58)	25.94	(6.36)	–
Transfer to stage 3	(64.94)	(253.78)	318.72	–
Assets derecognised or collected	(642.14)	(3,808.97)	(25,747.70)	22.31
Impact of ECL on exposures transferred between stages during the year	(446.16)	432.23	6,098.00	–
Loss allowance on March 31, 2023	**1,057.62**	**740.91**	**10,086.49**	**36.00**

c) Concentration of loans

Particulars	As at March 31, 2023	As at March 31, 2022
Micro finance loans	545,850.62	492,128.89
Micro, Small and Medium Enterprises (MSME)	39,297.58	35,391.74
Less: Unamortised processing fee	(4,841.99)	(3,308.15)
Total	**580,306.21**	**524,212.48**

d) Loans secured against collateral

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

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

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Carrying value
As at March 31, 2022	
MSME loans secured by property, plant and equipment (including land, building and plots)	2,283.85
MSME loans secured by book debts, inventories, margin money and other working capital items	1,733.28

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

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

B) Liquidity risk

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

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

(i) Financing arrangements

The Company has access to the following funding facilities:

As at March 31, 2023	Total facility	Drawn	Undrawn
- Expiring within one year	553.50	553.50	–
- Expiring beyond one year	2,527.93	2,002.92	525.01
Total	**3,081.43**	**2,556.42**	**525.01**

As at March 31, 2022	Total facility	Drawn	Undrawn
- Expiring within one year	89,200.00	86,700.00	2,500.00
- Expiring beyond one year	342,586.45	318,145.78	24,440.67
Total	**431,786.45**	**404,845.78**	**26,940.67**

(ii) Maturities of financial assets and liabilities

The tables below analyses the Company financial assets and liabilities into relevant maturity groupings based on their contractual maturities. The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. Derivatives have been classified to mature and/or be repaid within 12 months, regardless of the actual contractual maturities of the products. With regard to loans and advances to customers, the Company uses the same basis of expected repayment behaviour as used for estimating the EIR. Issued debt reflect the contractual coupon amortisations.

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

As at March 31, 2023	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Financial assets					
Non-derivatives					
Cash and cash equivalents	21,337.24	–	–	–	21,337.24
Bank balances other than cash and cash equivalents	57,644.90	24,776.14	3,077.27	1.26	85,499.57
Trade receivables	241.12	–	–	–	241.12
Loans	405,616.41	229,893.18	11,556.84	38,123.59	685,190.02
Investments	0.51	–	–	–	0.51
Other financial assets	1,599.09	17.71	14.41	10.88	1,642.09

(All amounts in ₹ lakhs, unless otherwise stated)

As at March 31, 2023	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Derivatives (net settled)					
Derivative financial instruments	2,231.64	–	–	–	2,231.64
Total undiscounted financial assets	**488,670.91**	**254,687.03**	**14,648.52**	**38,135.73**	**796,142.19**
Financial liabilities					
Non-derivatives					
Debt Securities	67,343.86	21,028.71	30,928.40	11,606.60	130,907.57
Borrowings other than debt securities	308,410.89	120,470.66	24,659.72	24,273.14	477,814.41
Subordinated liabilities	11,331.27	3,595.63	28,017.96	1,674.47	44,619.33
Trade payables	198.23	–	–	–	198.23
Other payables	1,149.80	–	–	–	1,149.80
Other financial liabilities	20,584.05	–	–	–	20,584.05
Provision	0.13	–	–	–	0.13
Total undiscounted financial liabilities	**409,018.23**	**145,095.00**	**83,606.08**	**37,554.21**	**675,273.52**
Net undiscounted financial assets/(liabilities)	**79,652.68**	**109,592.03**	**(68,957.56)**	**581.52**	**120,868.67**

As at March 31, 2022	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Financial assets					
Non-derivatives					
Cash and cash equivalents	104,928.40	–	–	–	104,928.40
Bank balances other than cash and cash equivalents	68,605.25	14,485.95	5,760.66	1.26	88,853.12
Trade receivables	239.41	–	–	–	239.41
Loans	378,959.13	168,973.24	12,954.57	14,159.50	575,046.44
Investments	1,004.65	1,967.83	1,824.41	–	4,796.89
Other financial assets	2,037.49	27.51	9.91	51.91	2,126.82
Derivatives (net settled)					
Derivative financial instruments	1,192.75	–	–	–	1,192.75
Total undiscounted financial assets	**556,967.08**	**185,454.53**	**20,549.55**	**14,212.67**	**777,183.83**
Financial liabilities					
Non-derivatives					
Debt Securities	56,726.63	63,178.27	10,313.58	9,607.41	139,825.89
Borrowings other than debt securities	300,089.33	87,791.36	31,929.10	13,048.12	432,857.91
Subordinated liabilities	16,674.57	10,141.85	3,594.35	29,692.44	60,103.21
Trade payables	1,049.81	–	–	–	1,049.81
Other payables	1,543.56	–	–	–	1,543.56
Other financial liabilities	20,862.15	–	–	–	20,862.15
Provision	2.78	–	–	–	2.78
Total undiscounted financial liabilities	**396,948.83**	**161,111.48**	**45,837.03**	**52,347.97**	**656,245.31**
Net undiscounted financial assets/(liabilities)	**160,018.25**	**24,343.05**	**(25,287.48)**	**(38,135.30)**	**120,938.52**

The company has restructured certain loans in accordance with the RBI circular RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22 dated May 05, 2021. The maturities of financial assets and liabilities, as above, are the amount due and payable only to the extent the contractual terms with borrowers and provider of finances were amended as at March 31, 2022.

C) Market risk

a) Foreign currency risk

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

(All amounts in ₹ lakhs, unless otherwise stated)

Foreign currency risk exposure:

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

Particulars	Currency	As at March 31, 2023	As at March 31, 2022
Financial liabilities			
External commercial borrowings (including interest accrued)	USD	41,691.24	31,437.45
(Gain)/loss: Derivative contract		(2,231.64)	(1,192.75)

Sensitivity

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

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
USD sensitivity*		
₹/USD- increase by 5%	(2,084.56)	(1,571.87)
₹/USD- decrease by 5%	2,084.56	1,571.87

* Holding all other variables constant

b) Interest rate risk

i) Liabilities

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. 'The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. As at March 31, 2023, the Company is exposed to changes in market interest rates through debt securities, other borrowings and subordinated liabilities at variable interest rates.

Interest rate risk exposure

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

Particulars	As at March 31, 2023	As at March 31, 2022
Variable rate liabilities		
Debt securities	–	–
Borrowings other than debt securities	129,004.52	137,632.82
Subordinated liabilities	20,000.00	20,000.00
Fixed rate liabilities		
Debt securities	109,144.08	118,743.75
Borrowings other than debt securities	271,473.18	244,871.44
Subordinated liabilities	15,126.25	25,034.73
Total	**544,748.03**	**546,282.74**

Sensitivity

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

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest sensitivity*		
Interest rates – increase by 0.50%	620.15	644.26
Interest rates – decrease by 0.50%	(620.15)	(644.26)

* Holding all other variables constant

ii) Assets

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

(All amounts in ₹ lakhs, unless otherwise stated)

c) Price risk

i) Exposure

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

ii) Sensitivity

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

Impact on profit after tax

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Mutual fund, Certificate of deposits and commercial paper		
Net assets value – increase by 5%	–	2.99
Net assets value – decrease by 5%	–	(2.99)

Note 45 : Capital management

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

The Company's capital management objectives are

– to ensure the Company's ability to continue as a going concern

– to comply with externally imposed capital requirement and maintain strong credit ratings

– to provide an adequate return to shareholders

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

Particulars	As at March 31, 2023	As at March 31, 2022
Net debt*	446,831.33	360,364.27
Total equity	191,371.68	160,624.83
Net debt to equity ratio	**2.33**	**2.24**

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

Notes to the Standalone Financial Statements
for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Note 46 : Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. Derivatives have been classified to mature and/or be repaid within 12 months, regardless of the actual contractual maturities.

Particulars	As at March 31, 2023		As at March 31, 2022	
	Within 12 months	After 12 months	Within 12 months	After 12 months
ASSETS				
Financial assets				
Cash and cash equivalents	21,335.16	–	104,900.58	–
Bank balances other than cash and cash equivalents	56,340.15	25,200.13	67,741.39	18,823.99
Derivative financial instruments	2,231.64	–	1,192.75	–
Trade receivables	241.12	–	239.41	–
Loans	308,171.91	260,249.28	296,015.60	193,724.16
Investments	0.51	74,151.30	1,195.97	32,420.89
Other financial assets	1,534.05	72.64	2,060.10	45.04
	389,854.54	**359,673.35**	**473,345.80**	**245,014.08**
Non-financial assets				
Current tax assets (net)	3,321.63	–	–	–
Deferred tax assets (net)	–	–	–	6,811.20
Property, plant and equipment	–	8,328.99	–	7,901.34
Capital work-in-progress	–	–	–	17.89
Investment Property	–	664.26	–	698.26
Other intangible assets	–	144.66	–	212.71
Other non-financial assets	2,403.07	149.15	3,530.86	8.36
	5,724.70	**9,287.06**	**3,530.86**	**15,649.76**
TOTAL ASSETS	**395,579.24**	**368,960.41**	**476,876.66**	**260,663.84**
LIABILITIES AND EQUITY				
LIABILITIES				
Financial liabilities				
Payables				
Trade payables				
(i) total outstanding dues of micro enterprises and small enterprises	–	–	–	–
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	198.23	–	1,049.81	–
Other payables				
(i) total outstanding dues of micro enterprises and small enterprises	23.87	–	172.02	–
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1,125.93	–	1,371.54	–
Debt securities	56,875.73	52,268.35	44,657.54	74,086.21
Borrowings (other than debt securities)	236,306.50	164,171.20	259,609.32	122,894.94
Subordinated liabilities	7,168.00	27,958.25	11,102.78	33,931.95
Other financial liabilities	25,346.27	196.52	26,273.97	135.67
	327,044.53	**244,594.32**	**344,236.98**	**231,048.77**
Non-financial liabilities				
Current tax liabilities (net)	–	–	100.06	–
Deferred tax liabilities (net)	–	245.64	–	–
Provisions	216.28	487.57	250.23	525.61
Other non-financial liabilities	579.63	–	754.02	–
	795.91	**733.21**	**1,104.31**	**525.61**
TOTAL LIABILITIES	**327,840.44**	**245,327.53**	**345,341.29**	**231,574.38**
Net equity	**67,738.80**	**123,632.88**	**131,535.37**	**29,089.46**

(All amounts in ₹ lakhs, unless otherwise stated)

Note 47 : Transferred financial assets

In the course of its micro finance activity, the Company makes transfers of financial assets, where legal rights to the cash flows from the asset are passed to the counterparty and where the Company retains the rights to the cash flows but assumes a responsibility to transfer them to the counterparty.

The Company has securitized its loan assets to an unrelated and unconsolidated entities. As per the terms of the agreements, the Company is exposed to first loss default guarantee amounting in range of 12% to 20% of the amount securitised and therefore continues to be exposed to significant risk and rewards relating to the underlying mortgage receivables. Hence, these loan assets are not derecognised and proceeds received are presented as borrowings.

The following tables provide a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities:

Particulars	As at March 31, 2023	As at March 31, 2022
Gross carrying amount of securitised assets	129,894.61	54,457.03
Gross carrying amount of associated liabilities	114,564.33	50,294.24
Carrying value and fair value of securitised assets	128,950.80	54,153.40
Carrying value and fair value of associated liabilities	114,564.33	50,294.24
Net position	**14,386.47**	**3,859.16**

Note 48 : Employee benefits

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

A Defined contribution plans

Provident and other funds

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund and other funds which are defined contribution plans. The Company has no obligations other than this to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrue.

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Employers contribution to provident and other fund	2,422.02	2,898.84

B Defined benefit plans

Gratuity

The Company has a defined benefit gratuity plan. Every employee is entitled to gratuity as per the provisions of the Payment of Gratuity Act, 1972. The scheme is funded and the scheme is managed by Life Insurance Companies. The liability of Gratuity is recognized on the basis of actuarial valuation.

Risks associated with plan provisions

Salary increases	Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
Investment risk	If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
Discount rate	Reduction in discount rate in subsequent valuations can increase the plan's liability.
Mortality & disability	Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
Withdrawals	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

(All amounts in ₹ lakhs, unless otherwise stated)

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

Particulars	As at March 31, 2023	As at March 31, 2022
Present value of obligation	1,408.57	1,377.26
Fair value of plan assets	1,495.26	1,374.36
Net (asset) / obligation recognised in balance sheet as non-financial assets	**(86.69)**	**2.90**

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

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current service cost	230.53	238.62
Interest cost on defined benefit obligation	99.99	91.93
Interest income on plan assets	(99.78)	(96.54)
Net impact on profit/(loss) before tax	**230.74**	**234.01**

Amount recognised in the other comprehensive income:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Actuarial gain/(loss) unrecognised during the year	(29.67)	12.91

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

Particulars	As at March 31, 2023	As at March 31, 2022
Present value of defined benefit obligation as at the beginning of year	1,377.26	1,359.95
Current service cost	230.53	238.62
Interest cost	99.99	91.93
Past service cost including curtailment gains/losses	–	–
Benefits paid	(320.89)	(290.64)
Actuarial loss/(gain) on obligation		
Actuarial (gain)/loss on arising from change in demographic assumption	–	(56.38)
Actuarial (gain)/loss on arising from change in financial assumption	(8.63)	(15.58)
Actuarial loss on arising from experience adjustment	30.31	49.36
Present value of defined benefit obligation as at the end of the year	**1,408.57**	**1,377.26**

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

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

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

Particulars	As at March 31, 2023	As at March 31, 2022
Fair value of plan assets at beginning of year	1,374.36	1,428.14
Actual return on plan assets	91.79	86.85
Employer's contribution	350.00	150.00
Benefits paid	(320.89)	(290.63)
Fair value of plan assets at the end of the year	**1,495.26**	**1,374.36**

(All amounts in ₹ lakhs, unless otherwise stated)

(vi) Actuarial assumptions

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Discounting rate	7.39%	7.26%
Future salary increase	4.00%	4.00%
Retirement age (years)	60	60
Withdrawal rate		
Up to 30 years	49.29%	49.29%
From 31 to 44 years	17.77%	17.77%
Above 44 years	0.28%	0.28%
Weighted average duration	3.94	3.73

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

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

(vii) Sensitivity analysis for gratuity liability

Particulars	As at March 31, 2023	As at March 31, 2022
Impact of the change in discount rate		
Present value of obligation at the end of the year	1,408.57	1,377.26
– Impact due to increase of 0.50 %	(32.43)	(31.09)
– Impact due to decrease of 0.50 %	34.61	33.17
Impact of the change in salary increase		
Present value of obligation at the end of the year	1,408.57	1,377.26
– Impact due to increase of 0.50 %	35.59	34.08
– Impact due to decrease of 0.50 %	(33.61)	(32.18)

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

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

(viii) Maturity profile of defined benefit obligation (discounted)

Particulars	As at March 31, 2023	As at March 31, 2022
0 to 1 year	390.56	394.68
1 to 2 year	169.97	164.00
2 to 3 year	123.26	126.18
3 to 4 year	92.29	95.63
4 to 5 year	134.08	73.05
5 to 6 year	60.39	108.24
6 year onwards	438.02	415.48
Total	**1,408.57**	**1,377.26**

Note 49 : Related party disclosures

A List of related parties and disclosures

Subsidiaries:

Satin Housing Finance Limited

Satin Finserv Limited

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

(All amounts in ₹ lakhs, unless otherwise stated)

Key managerial personnel and their relatives:

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

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

Satin Neo Dimensions Private Limited

Niryas Food Products Private Limited

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

Name of related party	Nature of transaction	For the year ended March 31, 2023	For the year ended March 31, 2022
Mr. Harvinder Pal Singh	Remuneration	140.32	140.32
	Provident fund and others	14.39	14.39
	Personal guarantees given	14,000.00	8,333.33
	Personal guarantees withdrawn	10,655.81	–
Mr. Satvinder Singh	Personal guarantees withdrawn	10,000.00	20,000.00
Mr. Harvinder Pal Singh and Mr. Satvinder Singh	Personal guarantees given (jointly)	79,100.00	–
	Personal guarantees withdrawn (jointly)	95,451.53	31,168.79
Mr. Jugal Kataria	Remuneration	140.29	132.89
Mr. Rakesh Sachdeva	Remuneration	77.53	74.18
Mr. Adhish Swaroop	Remuneration	–	3.10
Mr. Vipul Sharma	Remuneration	8.52	17.74
Mr. Vikas Gupta	Remuneration	16.14	–
Mr. Satvinder Singh	Sitting fees	4.25	6.00
Mr. Sundeep Kumar Mehta	Sitting fees	5.95	7.60
Mrs. Sangeeta Khorana	Sitting fees	2.50	3.70
Mr. Goh Colin	Sitting fees	4.55	5.80
Mr. Sanjay Kumar Bhatia	Sitting fees	4.55	6.10
Mr. Anil Kumar Kalra	Sitting fees	3.90	5.00
Taraashna Financial Services Limited	Interest income	–	392.74
	Inter corporate loan given	–	1,950.00
	Inter corporate loan received back	–	500.00
	Rent received	–	21.29
	Share based (reimbursement)/payment	–	(5.76)
	Received on account of managerial services	–	65.59
	Services received on account of sourcing and collections	–	870.01

(All amounts in ₹ lakhs, unless otherwise stated)

Name of related party	Nature of transaction	For the year ended March 31, 2023	For the year ended March 31, 2022
Satin Housing Finance Limited	Interest income	65.92	127.67
	Inter corporate loan given	3,000.00	4,500.00
	Inter corporate loan received back	3,500.00	6,000.00
	Investment made	3,999.90	500.00
	Corporate Guarantee premium charged	115.58	136.84
	Share based (reimbursement)/payment	–	(33.09)
	Rent received	33.57	32.27
Satin Finserv Limited	Interest income	506.39	–
	Inter corporate loan given	1,850.00	–
	Inter corporate loan received back	2,050.00	–
	Facilitation fee paid	12.00	5.00
	Received on account of managerial services	128.60	63.00
	Services received on account of sourcing and collections	1,043.60	–
	Rent received	45.56	21.52
Satin Neo Dimensions Private Limited	Interest income	15.52	21.76
	Inter corporate loan received back	32.63	26.50
	Purchase of property, plant & equipment (WIP)	–	18.44
Niryas Food Products Private Limited	Rent received	–	1.98

C Key management personnel compensation includes the following expenses:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Short-term employee benefits	397.19	382.62
Post employment benefits	17.06	11.74
Other long-term benefits*	8.18	(25.00)

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

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

Name of related party	Nature of balance	As at March 31, 2023	As at March 31, 2022
Mr. Satvinder Singh	Personal guarantees against borrowings^	–	10,000.00
Mr. Harvinder Pal Singh	Personal guarantees against borrowings^	11,677.52	8,333.33
Mr. Harvinder Pal Singh and Mr. Satvinder Singh	Personal guarantees (jointly) against borrowings^	109,885.23	126,236.76
Mr. Anil Kumar Kalra	Sitting fees	0.63	–
Mr. Goh Colin	Sitting fees	0.58	1.20
Mr. Sanjay Kumar Bhatia	Sitting fees	0.63	–
Mr. Satvinder Singh	Sitting fees	0.27	–
Mr. Sundeep Kumar Mehta	Sitting fees	0.27	–
Mrs. Sangeeta Khorana	Sitting fees	0.63	–
Taraashna Financial Services Limited	Investments	–	8,510.24
	Inter corporate loan	–	3,550.00
	Maximum outstanding against Inter corporate loan	–	3,750.00
	Other payable (net of tax deduted at source)	–	103.53
Satin Housing Finance Limited	Investments*	33,568.03	10,000.00
	Inter corporate loan	–	500.00
	Maximum outstanding against Inter corporate loan	2,000.00	2,000.00

(All amounts in ₹ lakhs, unless otherwise stated)

Name of related party	Nature of balance	As at March 31, 2023	As at March 31, 2022
Satin Finserv Limited	Investments*	34,407.88	10,250.00
	Inter corporate loan	3,350.00	–
	Maximum outstanding against Inter corporate loan	4,250.00	–
Satin Neo Dimensions Private Limited	Inter corporate loan	58.15	90.78
	Maximum outstanding against Inter corporate loan	90.78	117.27
	Interest accrued	0.97	1.51

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

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

Note 50 : Leases disclosure as lessee

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

March 31, 2023

Right-of use assets	No of right-of use assets leased	Range of remaining term	Average remaining lease term	No of leases with extension options	No of leases with purchase options	No of leases with variable payments linked to an index	No of leases with termination options
Office building	399	1 Months-64 Months	17.11 months	399	–	–	399
Vehicles	1	48 Months	46 months	1	1	–	1

March 31, 2022

Right-of use assets	No of right-of use assets leased	Range of remaining term	Average remaining lease term	No of leases with extension options	No of leases with purchase options	No of leases with variable payments linked to an index	No of leases with termination options
Office building	32	1 Months-78 Months	21.59 months	32	–	–	32

2 Additional information on the Right-of-Use assets by class of assets is as follows:

Right-of use assets	Carrying amount as on April 1, 2022	Additions	Depreciation	Impairment	Carrying amount as on March 31, 2023
Office building	411.57	1,177.33	506.91	13.29	1,068.70
Vehicles	–	80.69	6.14	–	74.55

Right-of use assets	Carrying amount as on April 1, 2021	Additions	Depreciation	Impairment	Carrying amount as on March 31, 2022
Office building	580.88	14.71	175.77	8.25	411.57

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

Particulars	As at March 31, 2023	As at March 31, 2022
Current	578.50	154.89
Non-current	657.87	346.04
Total	**1,236.37**	**500.93**

4 At March 31, 2023 the Company had not committed to leases which had not commenced.

5 The undiscounted maturity analysis of lease liabilities is as follows:

(All amounts in ₹ lakhs, unless otherwise stated)

March 31, 2023

Particulars	Less than 1 year	1-2 year	2-3 year	More than 3 years
Lease payments	683.58	373.60	197.63	185.32
Finance charges	105.08	52.37	26.64	19.67
Net present values	**578.50**	**321.23**	**170.99**	**165.65**

March 31, 2022

Particulars	Less than 1 year	1-2 year	2-3 year	More than 3 years
Lease payments	201.30	157.71	80.70	181.06
Finance charges	46.41	29.97	19.92	23.54
Net present values	**154.89**	**127.74**	**60.78**	**157.52**

6 The Company has elected not to recognise a lease liability for short term leases (leases of expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognised as lease liabilities and are expensed as incurred.

7 The Company had total cash outflows for leases of ₹ 1,813.67 Lakhs in March 31, 2023 (March 31, 2022: ₹ 1,688.73 Lakhs).

The following are the amounts recognised in profit or loss:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation expense of right-of-use assets	513.05	175.77
Interest expense on lease liabilities	120.58	63.82
Expense relating to short-term leases (included in other expenses)	1,205.91	1,475.64
Total amount recognised in profit or loss	**1,839.54**	**1,715.23**

The Company had lease contracts for office buildings used in its operations. Leases of these buildings generally have lease terms between 1 to 9 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets. There are several lease contracts that include extension, termination options, non financial restrictions and non financial covenants. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Company's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

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

The Company does not anticipate any material leases to be terminated in next three years or beyond that.

Operating leases

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

Office premises

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Short term leases	513.63	1,688.73

Operating leases as lessor

The Company has given certain premises under operating lease arrangements. The contractual future minimum lease income in respect of these leases are as under:

Particulars	As at March 31, 2023	As at March 31, 2022
Minimum lease receipts:		
– within one year	75.28	12.63
– Later than one year but not later than two years	0.95	–

(All amounts in ₹ lakhs, unless otherwise stated)

Note 51 : Segment information

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

Note 52 : Contingent liabilities and commitments: (to the extent not provided for)

i) The Company has received income tax notice under section 143(3) of the Income Tax Act 1961 dated April 05, 2021 for tax demand amounting to ₹ 194.63 lakhs on account of disallowance of expenses under section 43B and 36(1)(va) for assessment year 2018-19. In response to such notice, the company had filed rectification under section 154 and correspondingly received the order under said section dated March 12, 2023 from asessing office reducing the demand to ₹ 64.96 lakhs. The company has also filed an appeal with CIT (A) against such demand which is pending for hearing.

ii) The Company has received income tax notice under section 143(3) of the Income Tax Act, 1961 dated September 24, 2022 for tax demand amounting to ₹ 67.35 lakhs on account of disallowance under section 14A for assessment year 2020-21. In response to such notice, the company has filed an appeal with CIT (A) against such demand which is pending for hearing.

iii) The Company has received income tax notice under section 143(1) and 143(3) of the Income Tax Act, 1961 dated September 22, 2022 and December 20, 2022 respectively for tax demand amounting to ₹ 389.40 lakhs on account of disallowance under section 41 and section 14A for assessment year 2021-22. In response to such notice, the company has filed an appeal with CIT (A) against such demand which is pending for hearing.

iv)

Particulars	As at March 31, 2023	As at March 31, 2022
Estimated amount of contract remaining to be executed on capital account and not provided for	–	57.14
Company had issued corporate financial guarantee to National Housing Bank (NHB) against the funding obtained by its subsidiary Satin Housing Finance Limited.	7,500.00	4,500.00
Company had issued corporate financial guarantee to State Bank of India against the funding obtained by its subsidiary Satin Housing Finance Limited.	2,500.00	2,500.00
Company had issued corporate financial guarantee to LIC Housing Finance Limited against the funding obtained by its subsidiary Satin Housing Finance Limited.	2,500.00	–
Company has issued corporate financial guarantee to Catalyst Trusteeship Limited against the Non-convertible Debenture issued by its subsidiary Satin Finserv Limited.	500.00	500.00
Total	**13,000.00**	**7,557.14**

Note 53 : Assets pledged/hypothecated as security

The carrying amounts of assets pledged/hypothecated as security are:

Particulars	As at March 31, 2023	As at March 31, 2022
Loan assets	346,590.44	379,401.27
Vehicles*	138.41	117.08
Land & Buildings	150.36	157.73
Total assets pledged as security	**346,879.21**	**379,676.08**

*This excludes right of use asset of ₹ 74.55 (March 31, 2022 : Nil).

(All amounts in ₹ lakhs, unless otherwise stated)

Note 54 : Employee Stock Option Plan / Scheme (ESOP/ ESOS)

Pursuant to the approval accorded by Shareholders of Satin Creditcare Network Limited (Company) at their Annual General Meeting held on July 6, 2017, the Nomination and Remuneration Committee of the Company formulated a new scheme 'Satin Employee Stock Option Scheme 2017' (ESOS 2017) in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (or any amendment thereto or any other provisions as may be applicable). ESOS is applicable to all permanent and full-time employees (as defined in the Plan), excluding Promoters of the Company. The eligibility of employees to receive grants under the Plan has to be decided by the Nomination and Remuneration Committee from time to time at its sole discretion. Vesting of the options and vesting period shall take place in the manner determined by the Nomination and Remuneration Committee at the time of grant. Vesting of options shall be subject to the condition that the Grantee shall be in continuous employment with the Company and such other conditions as provided under ESOS 2017. The Exercise Price of each grant is determined by the Nomination and Remuneration Committee at the time of grant.

Presently, stock options have been granted or shares have been issued under the following scheme:

A. Satin Employee Stock Option Scheme 2009 (ESOS 2009)

B. Satin Employee Stock Option Scheme 2017 (ESOS 2017)

a) **Employee stock option schemes:**

ESOS 2009: Initially 425,000 equity shares of ₹ 10/- each at a premium of ₹ 10/- each were allotted to Satin Employees Welfare Trust on November 27, 2009. (This scheme was terminated vide Shareholders Resolution dated July 6, 2017)

Details of grant and exercise of such options are as follows:

Particulars	Grant – 1 of ESOS 2009			Grant – 2 of ESOS 2009			Grant – 3 of ESOS 2009		
No. of options granted	150,000			98,300			87,900		
Date of grant of options	January 12, 2010			December 2, 2013			December 2, 2016		
No. of employee to whom such options were granted	2			29			36		
Financial year (F.Y.)	F.Y. 2010-11	F.Y. 2011-12	F.Y. 2012-13	F.Y. 2014-15	F.Y. 2015-16	F.Y. 2016-17	F.Y. 2017-18	F.Y. 2018-19	F.Y. 2019-20
No. of employees who have exercised the option	2	2	2	25	23	23	22	18	15
No. of options exercised	50,000	50,000	50,000	25,824	22,633	27,243	21,100	19,300	13,300

Note: There was NIL options vested in F.Y. 2013-14.

Satin ESOP 2010: 100,000 equity shares of ₹ 10/- each at a premium of ₹ 12/- were allotted to Satin Employees Welfare Trust on June 22, 2010 (The scheme was terminated vide Shareholders Resolution dated July 6, 2017 and the outstanding options were transferred to Satin ESOS 2017).

Satin ESOP II 2010: 150,000 equity shares of ₹ 10/- each at a premium of ₹ 15/- were allotted to Satin Employees Welfare Trust on April 21, 2011 (The scheme was terminated vide Shareholders Resolution dated July 6, 2017 and the outstanding options were transferred to Satin ESOS 2017).

ESOS Scheme 2017: All options not exceeding 3,61,400 representing 0.96% of the paid-up Capital of the company as on March 31, 2017 (or such other adjusted figure for any bonus, stock splits or consolidations or other reorganization of the capital structure of the Company as may be applicable from time to time including the shares lying with the Trust that may remain unutilized pursuant to non-exercisability of options granted under Satin ESOS 2009, 2010 (I) and 2010 (II), to or for the benefit of permanent employees of the Company and its subsidiaries whether working in India or outside India. The said ESOS Scheme, 2017 were approved in twenty seventh Annual General Meeting of the Company held on July 6. 2017.

Details of grant and exercise of such options are as follows:

Particulars	Grant – 1 of ESOS 2017	Grant – 2 of ESOS 2017
No. of options granted	145,200	226,600
Date of grant of options	August 14, 2017	May 30, 2018
No. of employee to whom such options were granted	57	35

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Grant – 1 of ESOS 2017			Grant – 2 of ESOS 2017		
Financial year (F.Y.)	F.Y. 2018-19	F.Y. 2019-20	F.Y. 2020-21	F.Y. 2019-20	F.Y. 2020-21	F.Y. 2021-22
No. of employees who have exercised the option	18	27	Nil	13	Nil	NA
No. of options exercised	12,200	13,500	Nil	20,950	Nil	NA

b) The Company has provided following share based options to its employees:

Particulars	ESOS 2009	ESOS 2017
Date of grant	January 12, 2010, December 2, 2013 and December 2, 2016	August 14, 2017 and May 30, 2018
Date of board meeting, where ESOP/ESOS were approved	November 27, 2009	May 26, 2017
Date of committee meeting where grant of options were approved	January 12, 2010 November 12, 2013 and November 09, 2016	August 14, 2017 and May 30, 2018
Date of shareholders' approval	June 1, 2009	July 06, 2017
No. of options granted	336,200 out of 425,000	3,71,800
Method of settlement	Equity	Share/Cashless route
Vesting conditions	The actual vesting of options will depend on continuation to hold the services being provided to the Company at the time of exercise of options and such other conditions as mentioned in the ESOS Scheme.	The actual vesting of options will depend on continuation to hold the services being provided to the Company at the time of exercise of options and such other conditions as mentioned in the ESOS Scheme, 2017.
Vesting period	Option will be vested at the end of year 1 – 33.33% end of year 2 – 33.33% end of year 3 – 33.34% end of year Subject to lock in period of one year from the date of transfer of shares and other terms as stipulated in the Scheme and prescribed under the law in force.	Grant 1 of ESOS 2017 Option will be vested at the end of year 1 – 33.33% end of year 2 – 33.33% end of year 3 – 33.34% end of year Grant 2 of ESOS 2017 Option will be vested at the end of year 1 – 50% end of year 2 – 50% end of year
Exercise period	It shall commence from the date of vesting of options and expire not later than 2 months from the vesting date of each grant of options	It shall commence from the date of vesting of options and expire not later than 1 Year from the vesting date of each grant of options

Note: ESOS 2009 scheme was repealed in terms of Resolution passed by the Shareholders at their meeting held on July 6, 2017.

Details of Vesting and Exercise of Options (ESOS 2009):

Vesting Date	Vested options	No of options exercised
January 12, 2011	50,000	50,000
January 12, 2012	50,000	50,000
January 12, 2013	50,000	50,000
December 2, 2014	29,090	25,824
December 2, 2015	29,100	22,633
December 2, 2016	29,110	27,243
December 2, 2017	22,300	21,100
December 2, 2018	19,300	19,300
December 2, 2019	13,300	13,300

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(All amounts in ₹ lakhs, unless otherwise stated)

Details of Vesting and Exercise of Options (Grant 1 of ESOS 2017):

Vesting Date	Vested options	No of options exercised
August 14, 2018	21,400	12,200
August 14, 2019	15,800	13,500
August 14, 2020*	11,400	–

* These options are available for exercise till August 13, 2021

Details of Vesting and Exercise of Options (Grant 2 of ESOS 2017):

Vesting Date	Vested options	No of options exercised
May 30 2019	105,050	20,950
May 30 2020	96,850	–

* These options were available for exercise till May 29, 2021

i) The details of ESOS Scheme 2017 are summarized below:

Particulars	As at March 31, 2023		As at March 31, 2022	
	ESOS 2017		ESOS 2017	
	No. of options	Weighted average exercise price	No. of options	Weighted average exercise price
Outstanding options at the beginning of the year	–	–	79,300	At a discount/ premium on fair value
Exercised during the year	–	–	–	160
Number of shares arising as a result of exercise of options	–	–	–	160
Expired/ lapsed during the year under ESOS Scheme, 2017	–	–	79,300	160
Options expired/ lapsed under earlier ESOP Scheme's (adjusted)*	–	–	–	–
Outstanding options at the end of the year	–	–	–	–
Exercisable at the end of the year	–	–	–	–
Weighted average remaining contractual life (in years) of the option exercisable	–	–	–	–
Weighted average fair value of the options exercisable at grant date	Grant -1	–	Grant -1	–
	Grant -2	–	Grant -2	–
Loan repaid by the Trust during the year from exercise price received (amount in Lakhs)	–	–		

* Outstanding Options of previous ESOS schemes has been transferred to new ESOS scheme 2017

ii) Weighted average exercise price (fair market value) of share during the year ended March 31, 2023: NA (March 31, 2022: NA).

The detail of exercise price for stock option at the end of the financial year 2022-2023 is:

Series	Range of exercise price	No. of options outstanding for Exercise	Weighted average remaining contractual life of options (in years)	Weighted average exercise price	Remarks
Grant-3 ESOS 2009	20/- per option	–	–	20	Scheme Repealed
Grant-1 ESOS Scheme 2017	160/- per option	–	0.00	160	New Scheme
Grant-2 ESOS Scheme 2017	160/- per option	–	0.00	160	New Scheme

(All amounts in ₹ lakhs, unless otherwise stated)

iii) The fair value of the options granted is determined on the date of the grant using the "Black-Scholes option pricing model" with the following assumptions, as certified by an independent valuer:

Particulars	Grant 3 ESOS 2009	Grant 1 ESOS 2017			Grant 2 ESOS 2017	
	3rd tranche of vesting	1st tranche of vesting	2nd tranche of vesting	3rd tranche of vesting	1st tranche of vesting	2nd tranche of vesting
Date of grant	December 2, 2016	August 14, 2017	August 14, 2017	August 14, 2017	May 30, 2018	May 30, 2018
Fair market value of option on the date of grant	438.40	267.38	267.38	267.38	386.65	386.65
Exercise price	20.00	160.00	160.00	160.00	160.00	160.00
Expected volatility (%)	60.39%	55.86%	62.90%	62.90%	45.31%	53.94%
Expected option life (weighted average)	3.08	1.50	2.50	3.50	1.50	2.50
Expected dividends yield	–	–	–	–	–	–
Risk free interest rate (%)	6.03%	6.35%	6.40%	6.45%	7.53%	7.66%

The expected volatility was determined based on historical volatility data of the Company's shares listed on the National Stock Exchange of India Limited.

iv) The Company has recognized share based payment expense of ₹ NIL (March 31, 2022: ₹ NIL) during the year as proportionate cost.

v) The Company has ₹ 169.69 Lakhs (March 31, 2022: ₹ 169.69 Lakhs) recoverable from Satin Employees Welfare Trust pursuant to ESOP schemes.

Note 55 : Recent accounting pronouncements:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 "Presentation of Financial Statements"

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements.

Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors"

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

Ind AS 12 "Income Taxes"

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1,2023. The Company has evaluated the amendment and there is no impact on its standalone financial statement.

(All amounts in ₹ lakhs, unless otherwise stated)

Below notes starting from 56 to 60 are non Ind AS information as required by different laws and regulations.

Note 56 : Disclosure as per Master Direction DNBR.PD.008/03.10.119/2016-17 (updated from time to time) are as under:-

Disclosure of expected credit loss and provisions required as per Income Recognition and Asset Classification norms;

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
Performing Assets						
Standard	Stage 1	558,989.93	1,057.66	557,932.27	152.92	904.74
	Stage 2	2,018.35	740.87	1,277.48	0.47	740.40
Subtotal		**561,008.28**	**1,798.53**	**559,209.75**	**153.39**	**1,645.14**
Non-Performing Assets (NPA)						
Substandard	Stage 3	531.94	531.94	–	50.23	481.71
Doubtful - up to 1 year*	Stage 3	11,323.16	5,765.09	5,558.07	743.31	5,021.78
1 to 3 years*	Stage 3	7,442.83	3,789.46	3,653.37	10,794.28	(7,004.82)
More than 3 years	Stage 3	–	–	–	–	–
Subtotal for doubtful		**18,765.99**	**9,554.55**	**9,211.44**	**11,537.59**	**(1,983.04)**
Loss	Stage 3	–	–	–	–	–
Subtotal for NPA		**19,297.93**	**10,086.49**	**9,211.44**	**11,587.82**	**(1,501.33)**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	1,373.18	35.40	1,337.78	–	35.40
	Stage 2	–	–	–	–	–
	Stage 3	–	–	–	–	–
Subtotal		**1,373.18**	**35.40**	**1,337.78**	**–**	**35.40**
Total	Stage 1	560,363.11	1,093.06	559,270.05	152.92	940.14
	Stage 2	2,018.35	740.87	1,277.48	0.47	740.40
	Stage 3	19,297.93	10,086.49	9,211.44	11,587.82	(1,501.33)
	Total	**581,679.39**	**11,920.42**	**569,758.97**	**11,741.21**	**179.21**

* Includes joint liability group loans (JLG) and SME loans.

Note 57 : Additional disclosures as required by the Reserve Bank of India: -

(A) Disclosure as per Master Direction DNBR.PD.008/03.10.119/2016-17 (updated from time to time) are as under:-

(i) Capital to Risk Assets Ratio ("CRAR"):-

Particulars	As at March 31, 2023	As at March 31, 2022
CRAR (%)	26.62	27.84
CRAR – Tier I capital (%)	25.34	23.25
CRAR – Tier II capital (%)	1.28	4.59
Amount of subordinated debt included in Tier-II capital	35,126.25	44,704.80
Amount raised by issue of perpetual debt instruments	–	–

(ii) Disclosure of investments:-

Particulars	As at March 31, 2023	As at March 31, 2022
1) Value of investments		
i) Gross value of investments	76,845.85	33,616.86
a) In India	76,845.85	33,616.86
b) Outside India	–	–
ii) Provisions of depreciation	2,694.04	–
a) In India	2,694.04	–

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
b) Outside India	–	–
iii) Net Value of investments	74,151.81	33,616.86
a) In India	74,151.81	33,616.86
b) Outside India	–	–
2) Movement of provisions held towards depreciation on investments		
i) Opening balance	–	–
ii) Add: Provision made during the year	2,694.04	–
iii) Less: Write-off/Write back of excess provision during the year	–	
iv) Closing balance	2,694.04	–

(iii) Derivatives :-

Forward Rate Agreement / Cross Currency Swaps

Particulars	As at March 31, 2023	As at March 31, 2022
Notional Principal of swap agreements	41,518.44	31,161.35
Loss/(profit) which would be incurred if counterparties failed to fulfil their obligations under the agreements	(2,231.64)	(1,192.75)
Collateral required by the applicable NBFC upon entering into swaps	–	–
Concentration of credit risk arising from swaps	–	–
Fair value of the swap book	(2,231.64)	(1,192.75)

(iv) (a) Disclosures relating to securitisation:-

The Company has entered into various agreements for the securitisation of loans with assignees, wherein it has securitised a part of its loans portfolio amounting to ₹ 1,82,335.58 lakhs during the year ended March 31, 2023 (March 31, 2022 ₹ 71,542.16 Lakhs), being the principal value outstanding as on the date of the deals that are outstanding. The Company is responsible for collection and getting servicing of this loan portfolio on behalf of investors/buyers. In terms of the said securitisation agreements, the Company pays to investor/buyers on agreed date basis the prorata collection amount as per individual agreement terms.

(b) Disclosure for securitisation of Standard Assets outstanding as on reporting date as per RBI circular no.DOR.STR.REC.53/21.04.177/2021-22 dated September, 24, 2021.

Particulars	As at March 31, 2023	As at March 31, 2022
1 No of SPEs holding assets for securitisation transactions originated by the originator	31	9
2 Total amount of securitised assets as per books of the SPEs	130,634.82	54,457.68
3 Total amount of exposures retained by the originator to comply with MRR as on the date of balance sheet	42,000.16	15,269.30
a) Off Balance sheet exposures	–	–
* First loss	–	–
* Others	–	–
b) On Balance sheet exposures	–	–
* First loss	22,224.14	8,575.99
* Others	19,776.02	6,693.31
4 Amount of exposures to securitisation transactions other than MRR	–	–
a) Off Balance sheet exposures	–	–
i) Exposure to own securitizations	–	–
* First loss	–	–
* Others	–	–
ii) Exposure to third party securitizations	–	–

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
* First loss	–	–
* Others	–	–
b) On Balance sheet exposures	–	–
i) Exposure to own securitizations	–	–
* First loss	–	–
* Others	–	–
ii) Exposure to third party securitizations	–	–
* First loss	–	–
* Others	–	–
5 Sale consideration received for the securitised assets and gain/ loss on sale on account of securitisation	183,718.35	68,577.60
6 Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc	–	–
7 Performance of facility provided. Please provide separately for each facility viz. Credit enhancement, liquidity support, servicing agent etc. Mention percent in bracket as of total value of facility provided		
(a) Amount paid	–	–
(b) Repayment received	–	–
(c) Outstanding amount	42,000.16	14,315.35
8 Average default rate of portfolios observed in the past. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc	–	–
9 Amount and number of additional/top up loan given on same underlying asset. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc	–	–
10 Investor complaints (a) Directly/Indirectly received and; (b) Complaints outstanding	–	–

(v) Detail of assignment transactions undertaken:-

The Company has entered into various agreements for the assignments of loans with assignees, wherein it has assigned a part of its loans portfolio amounting to ₹ 2,66,571.74 lakhs during the year ended March 31, 2023 (March 31 2022 ₹ 89,056.92 Lakhs), being the principal value outstanding as on the date of the deals that are outstanding. In terms of accounting policy mentioned in Significant Accounting Policies, The Company has derecognised these loan portfolios. The Company is responsible for collection and getting servicing of this loan portfolio on behalf of investors/buyer In terms of the said assignment agreements, the Company pays to investor/buyers on agreed date basis the prorata collection amount as per individual agreement terms.

(a) Disclosure for transfer of loan exposure as per RBI circular no.DOR.STR.REC.51/21.04.048/2021-22 dated September, 24, 2021.

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
i) Total number of loans assets assigned during the year	898,030	336,467
ii) Book value of loans assets assigned during the year	266,571.74	89,056.92
iii) Sale consideration received during the year	266,571.74	89,056.92
iv) Excess Interest spread recognised on loans assigned during the year	23,776.78	6,059.02

(All amounts in ₹ lakhs, unless otherwise stated)

(b) Additional Disclosure for transfer of loan exposure as per RBI circular no.DOR.STR.REC.51/21.04.048/2021-22 dated September, 24, 2021.

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
i) Weighted average maturity of loans assets assigned (in Years)	1.53	1.41
ii) Weighted average holding period of loans assets assigned (in Months)	4.87	6.17
ii) Retention of beneficial economic interest on loans assets assigned (in%)	11.27%	11.67%
iv) Coverage of tangible security coverage	NIL	NIL
v) Rating-wise distribution of rated loans.	Not rated	Not rated
vi) Agreed to replace loans transferred to transferee(s) or pay damages arising out of any representation or warranty	No	No

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

The Company has not sold financial assets to Securitisation/Reconstruction Companies for asset reconstruction in the current and previous year.

(vii) Detail of non-performing financial asset purchased/sold:-

The Company has not purchased non-performing financial asset in the current and previous year, however the company has sold some of its non performing assets in current year. Details of the same has been given in point (D) below.

(viii) Asset Liability Management Maturity pattern of certain items of assets and liabilities:-

As at March 31, 2023

Particulars	Liabilities				Assets		
					Advances		
	Borrowings from Banks	Market Borrowings (other than Banks)	Foreign Borrowings	Payable towards assignment and securitisation transactions	a) Portfolio (including Securitisation)	b) Advances-Others	Invest-ments
1 to 7 Days	2,787.51	1,632.14	–	0.07	6,912.00	20,392.20	–
8 to 14 Days	2,787.51	1,632.14	–	10,811.60	6,912.00	1,038.58	–
15 Days to 30/31 (One Month)	5,575.02	3,264.27	–	7,224.63	9,216.00	774.43	–
Over 1 Month to 2 months	11,795.22	2,641.87	1,335.75	2.07	31,197.31	11,699.27	–
Over 2 months upto 3 months	19,439.47	36,303.65	–	–	30,807.61	6,111.62	–
Over 3 months upto 6 months	66,146.91	28,671.92	–	–	82,560.29	26,397.42	–
Over 6 months upto 1 Year	107,938.81	28,395.56	1,335.75	–	155,019.11	11,261.80	–
Over 1 Year upto 3 Year	78,208.92	94,083.49	17,265.00	–	238,191.20	25,200.12	6,064.19
Over 3 Year upto 5 Year	26.89	11,832.82	17,265.55	–	7,159.68	–	–
Over 5 Year	–	65.48	4,316.39	–	445.98	–	68,087.62
Total	**294,706.26**	**208,523.33**	**41,518.44**	**18,038.37**	**568,421.19**	**102,875.44**	**74,151.81**

As at March 31, 2022

Particulars	Liabilities				Assets		
					Advances		
	Borrowings from Banks	Market Borrowings (other than Banks)	Foreign Borrowings	Payable towards assignment and securitisation transactions	a) Portfolio (including Securitisation)	b) Advances-Others	Invest-ments
1 to 7 Days	10,197.84	2,735.17	–	22.78	5,475.37	84,456.89	–
8 to 14 Days	10,197.84	2,735.17	–	10,642.68	5,475.37	21,764.41	–
15 Days to 30/31 (One Month)	20,395.69	5,470.35	–	7,043.58	10,950.72	16,399.61	163.80
Over 1 Month to 2 months	11,732.62	10,454.35	1,335.75	–	32,739.83	2,664.23	170.82
Over 2 months upto 3 months	17,372.88	34,289.40	314.67	–	29,640.48	7,847.65	160.71

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Liabilities				Assets		
					Advances		
	Borrowings from Banks	Market Borrowings (other than Banks)	Foreign Borrowings	Payable towards assignment and securitisation transactions	a) Portfolio (including Securitisation)	b) Advances-Others	Invest-ments
Over 3 months upto 6 months	46,697.28	22,887.35	7,413.54	–	83,525.97	28,114.54	346.03
Over 6 months upto 1 Year	79,423.22	33,879.55	1,650.42	–	130,786.74	11,394.65	112.51
Over 1 Year upto 3 Year	75,050.70	95,217.56	9,119.00	–	181,908.08	18,822.96	3,792.24
Over 3 Year upto 5 Year	20,013.57	16,626.22	10,999.50	–	8,327.59	1.02	–
Over 5 Year	–	73.10	–	–	909.61	–	28,870.75
Total	**291,081.64**	**224,368.22**	**30,832.88**	**17,709.04**	**489,739.76**	**191,465.96**	**33,616.86**

Notes:

i) Above mentioned portfolio (own) does not include undrawn facilities amounting to ₹ 6,650 Lakhs (March 31, 2022 : ₹ 5,950 Lakhs), since there are no sanctioned disbursement schedule.

ii) Unamortised processing fees are included in portfolio and borrowings.

(ix) Exposures:-

(a) Exposure to capital market:- Nil (March 31, 2022 : Nil)

(b) Exposure to real state sector as per below details.

Particulars	As at March 31, 2023	As at March 31, 2022
i) Direct exposure		
a) Residential Mortgages	90.00	–
b) Commercial Real Estate	–	
c) Investments in Mortgage-Backed Securities (MBS) and other securitized exposures		
i. Residential	–	–
ii. Commercial Real Estate	–	–
ii) Indirect Exposure		
Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies	–	–
Total Exposure to Real Estate Sector	**90.00**	**–**

(c) Sectoral exposure as per below details.

Sectors	For the year ended March 31, 2023			For the year ended March 31, 2022		
	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
1. Retail business loans						
Micro finance loan/SHG Loan	525,896.71	17,754.45	3.38%	479,487.09	39,477.14	8.23%
2. Others						
Non- Food Credit - SME	39,099.45	787.28	2.01%	35,014.57	1,718.15	4.91%

(x) Details of Single Borrower Limit (SGL)/Group Borrower Limit (GBL) exceeded by applicable NBFC.

The Company does not have single or group borrower exceeding the limits.

(xi) Unsecured Advances – Refer note 8 of Balance Sheet notes.

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

This disclosure is not applicable as the Company does not have any holding/parent Company.

(All amounts in ₹ lakhs, unless otherwise stated)

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

The Company is registered with following other financial sector regulators:

(a) Ministry of Corporate Affairs (MCA)

(b) Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI)

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

No penalty has been imposed by RBI during the year.

(xv) Related party transactions:-

Please refer to note no 49

(xvi) Rating assigned by credit rating agencies and migration of ratings during the year-

During the current year, Fitch Solutions India Advisory Private Limited has assigned a MFI grading of 'IRR MFI 1'to our company.

(xvii) Revenue Recognition

Revenue recogniation has not been postponed by the Company during the year (previous year NIL) due to any pending resolutions of significant uncertainties.

During the year, the Company's various instruments were rated, the details of these ratings are as under:-

S. No.	Particulars	Amount (₹ in Crores)	Credit rating agency	Current rating	Previous rating
1	Long-term/short-term fund-based term bank facilities programme	2,500.00	ICRA Limited/ CARE Ratings Limited	[ICRA]A- (Negative)	CARE A-; Negative
2	Long-term Fund-based Term Loan Facilities Programm	40.00	ICRA Limited	[ICRA]A(CE) (Stable)	[ICRA]A(CE) (Stable)
3	Non Convertible Debentures	25.00	ICRA Limited	[ICRA]A- (Negative)	[ICRA]A- (Negative)
4	Non Convertible Debentures	50.00	ICRA Limited	[ICRA]A- (Negative)	NA
5	Non Convertible Debentures	1,829.85	CARE Ratings Limited	CARE BBB+; Stable	CARE A-; Negative
6	Subordinate Debt	100.00	ICRA Limited	[ICRA]A- (Negative)	[ICRA]A- (Negative)
7	Subordinate Debt	30.00	CARE Ratings Limited	CARE BBB+; Stable	CARE A-; Negative
8	Commercial Paper	200.00	ICRA Limited	[ICRA] A1	[ICRA] A1
9	Securitization	35.54	ICRA Limited	Provisional [ICRA] A+(SO)	
10	Securitization	78.80	ICRA Limited	[ICRA] AA (SO)	
11	Securitization	77.21	ICRA Limited	[ICRA] AA (SO)	
12	Securitization	83.23	CARE Ratings Limited	CARE A (SO)	
13	Securitization	53.97	ICRA Limited	[ICRA]AA(SO)	
14	Securitization	148.81	ICRA Limited	[ICRA]AA(SO)	
15	Securitization	78.60	ICRA Limited	Provisional [ICRA] AA-(SO)	
16	Securitization	67.03	ICRA Limited	Provisional [ICRA]A(SO)	
17	Securitization	101.75	ICRA Limited	Provisional [ICRA] AA(SO)	
18	Securitization	50.09	ICRA Limited	[ICRA]AA-(SO)	
19	Securitization	104.00	CARE Ratings Limited	CARE AA- (SO)	
20	Securitization	70.03	ICRA Limited	[ICRA]AA-(SO)	
21	Securitization	71.32	ICRA Limited	Provisional [ICRA] AA-(SO)	
22	Securitization	46.59	ICRA Limited	[ICRA]AA-(SO)	
23	Securitization	70.21	ICRA Limited	Provisional [ICRA] A+(SO)	

(All amounts in ₹ lakhs, unless otherwise stated)

S. No.	Particulars	Amount (₹ in Crores)	Credit rating agency	Current rating	Previous rating
24	Securitization	28.65	ICRA Limited	[ICRA]AA-(SO)	
25	Securitization	34.61	ICRA Limited	[ICRA]AA-(SO)	
26	Securitization	20.01	ICRA Limited	Provisional [ICRA] A+(SO)	
27	Securitization	81.76	ICRA Limited	[ICRA]AA-(SO)	
28	Securitization	77.01	ICRA Limited	Provisional [ICRA] AA-(SO)	
29	Securitization	39.35	ICRA Limited	[ICRA]A+(SO)	
30	Securitization	79.51	CARE Ratings Limited	CARE A+ (SO)	
31	Securitization	87.03	CARE Ratings Limited	CARE AA (SO)	
32	Securitization	64.50	ICRA Limited	[ICRA]AA-(SO)	
33	Securitization	31.77	ICRA Limited	[ICRA]AA-(SO)	
34	Securitization	28.28	ICRA Limited	Provisional [ICRA] AA-(SO)	
35	Securitization	39.14	ICRA Limited	[ICRA]A-(SO)	
36	Securitization	29.68	ICRA Limited	Provisional [ICRA] A-(SO)	

Note: During the current financial year, below ratings were withdrawn :

1. Long Term Bank facilities and Commercial Paper rating from CARE Ratings Limited.
2. Non Convertible Debentures rating from Brickwork Ratings India Private Limited.

(xvii) Remuneration of directors:-

Particulars	Position	Remuneration		Provident fund and others		Sitting fees	
		For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022
Mr. Harvinder Pal Singh	Chairman & Managing Director	140.32	140.32	14.39	14.39	Nil	Nil
Mr. Satvinder Singh	Non- Executive Director	–	–	–	–	4.25	6.00
Mr. Sundeep Kumar Mehta	Non- Executive Director	–	–	–	–	5.95	7.60
Mrs. Sangeeta Khorana	Non- Executive Director	–	–	–	–	2.50	3.70
Mr. Goh Colin	Non- Executive Director	–	–	–	–	4.55	5.80
Mr. Sanjay Kumar Bhatia	Non- Executive Director	–	–	–	–	4.55	6.10
Mr. Anil Kumar Kalra	Non- Executive Director	–	–	–	–	3.90	5.00
Mr. Christian Bernhard Ramm	Non- Executive Director	–	–	–	–	–	–

(xviii) Additional disclosures:-

(a) **Provisions and contingencies:-**

Break up of Provisions and Contingencies shown under the head expenditure in statement of profit and loss	For the year ended March 31, 2023	For the year ended March 31, 2022
Provision for depreciation on investment	2,694.04	–
Provision towards NPA	(18,883.80)	8,348.98
Provision made towards income tax	(30.37)	3,132.23
Other provision and contingencies (with details)		
i) Provision for compensated absences	163.04	(424.85)
ii) Provision for gratuity	230.74	234.01
Provision for Standard assets	(3,703.90)	(2,814.20)

(b) **Draw down from reserves:-**

There has been no draw down from reserve during the year ended March 31, 2023 (March 31, 2022: Nil)

(All amounts in ₹ lakhs, unless otherwise stated)

(c) Concentration of advances, exposures and NPAs:-

Particulars	As at March 31, 2023	As at March 31, 2022
Concentration of advances		
Total advance to twenty largest borrowers	28,224.75	23,210.90
% of advance to twenty largest borrowers to total advances	4.87%	4.47%
Concentration of exposures		
Total exposure to twenty largest borrowers/customers	37,665.69	30,060.32
% of exposure to twenty largest borrowers/customers to total exposure	6.41%	5.71%
Concentration of NPAs		
Total exposure of top four NPA account	61.87	78.07
% of exposure to top four NPA account	0.01%	0.02%

(d) Sector-wise NPAs:-

Particulars	As at March 31, 2023	As at March 31, 2022
Sector	Percentage of NPAs to total advance to that sector	
1 Agriculture and allied activities	3.41%	8.02%
2 MSME	4.96%	12.32%
3 Corporate borrowers	0.00%	0.00%
4 Services	2.11%	7.35%
5 Unsecured personal loans	0.00%	0.00%
6 Auto loans	0.00%	0.00%
7 Other personal loans	0.00%	0.00%

(e) Movement of NPAs:-

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
i) Net NPAs to net advance (%)	1.49%	2.47%
ii) Movement of NPAs (Gross)		
a) Opening balance	41,195.29	47,196.37
b) Addition during the year	40,576.76	5,809.84
c) Reduction/ write off during the year	63,230.32	11,810.92
d) Closing balance	18,541.73	41,195.29
iii) Movement of NPAs (Net)		
a) Opening balance	12,225.00	26,575.06
b) Addition during the year	33,712.86	–
c) Reduction/ write off during the year	37,482.62	14,350.06
d) Closing balance	8,455.24	12,225.00
iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
a) Opening balance	28,970.29	20,621.31
b) Addition during the year	6,863.90	14,546.67
c) Reduction/ write off during the year	25,747.70	6,197.69
d) Closing balance	10,086.49	28,970.29

Interest due but not received on portfolio are not included in portfolio.

(f) Overseas assets (for those with Joint Ventures and subsidiaries abroad) – Nil

(g) Off-balance sheet SPVs sponsored – N.A.

(All amounts in ₹ lakhs, unless otherwise stated)

(h) **Customer complaints:-**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
a) Number of complaints pending at the beginning of the year	51	5
b) Number of complaint received during the year	7,528	11,093
c) Number of complaint redressed during the year	7,524	11,047
d) Number of complaint pending at the end of the year	55	51

(i) **Instances of fraud:-**

Nature of fraud (cash embezzlement by employee)	For the year ended March 31, 2023	For the year ended March 31, 2022
Number of cases	66	115
Amount of fraud	126.04	155.96
Recovery	6.12	53.19
Amount written off	119.92	102.77

(B) Information on Net Interest Margin :-

Particulars	Percentage (%)
For the year ended March 31, 2023	9.60%
For the year ended March 31, 2022	9.40%

(C) Disclosure as required by Para 18 of Non-Banking Financial Company – systemically important non-deposit taking Company and deposit taking Company (Reserve Bank) Directions, 2016 is as under:

Particulars	Amount Outstanding	Amount Overdue
Liabilities side:		
1 Loans and advances availed by the Non-Banking Financial Company inclusive of interest accrued thereon but not paid:		
(a) Debentures		
: Secured	106,322.76	–
: Unsecured	18,533.24	–
(other than falling within the meaning of Public deposits)		
(b) Deferred Credits	–	–
(c) Term Loans	308,897.29	–
(d) Inter-corporate loans and borrowing	–	–
(e) Commercial Paper	–	–
(f) Public deposits		
(g) Other Loans :		
Other unsecured loans against assets of the Company	–	–
Secured loans against assets of the Company	152.78	–
Overdraft facility	–	–
Liability against securitised assets	114,564.33	–
Liability against leased assets	1,236.37	–
Preference shares other than those that qualify as equity	–	–
2 Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):	-	-
(a) In the form of Unsecured debentures	-	-
(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-
(c) Other public deposits	-	-

(All amounts in ₹ lakhs, unless otherwise stated)

Assets side :	Amount Outstanding
3 Break-up of Loans and advances including bills receivables (other than those included in (4) below) :	
(a) Secured	4,883.97
(b) Unsecured	575,422.24
4 Break-up of Leased Assets and stock on hire and other assets counting towards	
AFC activities	
(I) Lease assets including lease rentals under sundry debtors :	
(a) Financial lease	–
(b) Operating lease	–
(II) Stock on hire including hire charges under sundry debtors :	
(a) Assets on hire	–
(b) Repossessed Assets	–
(III) Other loans counting towards AFC activities	
(a) Loans where assets have been repossessed	–
(b) Loans other than (a) above	–
5 Break-up of Investments :	
Current Investments :	
1. Quoted :	
(I) Shares :	
(a) Equity	–
(b) Preference	–
(II) Debentures and Bonds	–
(III) Units of mutual funds	–
(IV) Government Securities	–
(V) Others (please specify)	–
2. Unquoted :	
(I) Shares :	
(a) Equity	–
(b) Preference	–
(II) Debentures and Bonds	–
(III) Units of mutual funds	–
(IV) Government Securities	–
(V) Others :	
(a) Certificate of Deposit	–
(b) Commercial Paper	–
Long Term Investments :	
1. Quoted :	
(I) Shares :	
(a) Equity	–
(b) Preference	–
(II) Debentures and Bonds	–
(III) Units of mutual funds	–
(IV) Government Securities	–
(V) Others (please specify)	–
2. Unquoted :	
(I) Shares :	
(a) Equity	67,975.91
(b) Preference	111.19
(II) Debentures and Bonds	–
(III) Units of mutual funds	–
(IV) Government Securities	0.51
(V) Others (Pass through Certificates and Security Receipts)	8,758.24
Total	**76,845.85**

(All amounts in ₹ lakhs, unless otherwise stated)

6 **Borrower group-wise classification of assets financed as in (3) and (4) above:**

Category	Particulars				Total
	Secured	Unsecured	Provision - Secured	Provision - Unsecured	
1. Related Parties					
(a) Subsidiaries	–	6,250.00	–	5.70	6,244.30
(b) Companies in the same group	–	–	–	–	–
(c) Other related parties	–	59.12	–	0.10	59.02
2. Other than related Parties	4,883.97	569,113.12	839.07	11,040.15	562,117.87
Total	**4,883.97**	**575,422.24**	**839.07**	**11,045.95**	**568,421.19**

7 **Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):**

Category	Market Value/ Breakup or fair value or NAV	Book Value (Net of Provision)
1. Related Parties		
(a) Subsidiaries	67,975.91	32,760.14
(b) Companies in the same group	–	–
(c) Other related parties	–	–
2. Other than related Parties	8,869.94	6,174.71
Total	**76,845.85**	**38,934.85**

8 **Other information**

Particulars	Amount
(I) Gross Non-Performing Assets	18,541.73
(a) Related parties	–
(b) Other than related parties	18,541.73
(II) Net Non-Performing Assets	8,455.24
(a) Related parties	–
(b) Other than related parties	8,455.24
(III) Assets acquired in satisfaction of debt	**–**

9 Pursuant to RBI circular RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 04, 2019, Liquidity credit risk disclosures are presented as below:

Qualitative Disclosure on LCR

As per Reserve Bank of India guidelines, all deposit-taking NBFCs irrespective of their asset size and non-deposit-taking NBFCs with an asset size of ₹ 5,000.00 crore and above are required to maintain a liquidity coverage ratio (LCR) to ensure availability of adequate high-quality liquid assets (HQLA) to survive any acute liquidity stress scenario i.e, cash outflow increased to 115% and cash inflow decreased to 75%, lasting for 30 days. As per RBI guidelines,LCR has been calculated using the simple average of daily observations (over a period of 90 days).

Cash outflows under secured funding include contractual payments of the term loan, NCDs, and other debt obligations including interest payments. To compute inflow from fully performing exposures, the company considers collection from performing advances including interest due in the next 30 days. Other cash inflows include cash from unencumbered fixed deposits, Certificates of deposits, and mutual fund investments maturing in the next 30 days. The LCR as of March 31, 2023, is 133.53%, which is above the regulatory requirement of 60%.

(All amounts in ₹ lakhs, unless otherwise stated)

(i) LCR Disclosure

	Particulars	As at March 31, 2023		As at December 31, 2022		As at September 30, 2022		As at June 30, 2022	
		Total Unweighted Amount [1]	Total Weighted Amount [2]	Total Unweighted Amount [1]	Total Weighted Amount [2]	Total Unweighted Amount [1]	Total Weighted Amount [2]	Total Unweighted Amount [1]	Total Weighted Amount [2]
	High Quality Liquid Assests (HQLAs)								
1	Total High Quality Liquid Assests (HQLA)	13,720.69	13,308.83	12,242.80	11,982.98	11,719.01	11,429.98	12,051.82	12,038.49
	Cash Outflows								
2	Deposits (for deposit taking companies)	–	–	–	–	–	–	–	–
3	Unsecured wholesale funding	955.41	1,098.72	1,633.25	1,878.24	5,605.36	6,446.17	2,536.56	2,917.05
4	Secured wholesale funding	24,112.18	27,729.00	21,702.62	24,958.01	25,333.98	29,134.08	30,794.25	35,413.39
5	Additional requirements, of which								
i	Outflows related to derivative exposures and other collateral requirements	596.58	686.07	596.58	686.07	596.58	686.07	596.58	686.07
ii	Outflows related to loss of funding on debt products	–	–	–	–	–	–	–	–
iii	Credit and liquidity facilities	–	–	–	–	–	–	–	–
6	Other contractual funding obligations	9,003.72	10,354.28	8,826.10	10,150.02	6,809.19	7,830.57	4,920.79	5,658.91
7	Other contingent funding obligations	–	–	–	–	–	–	–	–
8	**TOTAL CASH OUTFLOWS**	**34,667.89**	**39,868.07**	**32,758.55**	**37,672.34**	**38,345.11**	**44,096.89**	**38,848.18**	**44,675.42**
	Cash Inflows								
9	Secured lending	–	–	–	–	–	–	–	–
10	Inflows from fully performing exposures	35,134.45	26,350.84	35,777.16	26,832.87	33,846.17	25,384.63	38,411.99	28,808.99
11	Other cash inflows	12,976.45	9,732.33	8,025.82	6,019.36	26,140.46	19,605.34	15,813.53	11,860.15
12	**TOTAL CASH INFLOWS**	**48,110.89**	**36,083.17**	**43,802.98**	**32,852.23**	**59,986.63**	**44,989.97**	**54,225.52**	**40,669.14**
13	**TOTAL HQLA**	**13,720.69**	**13,308.83**	**12,242.80**	**11,982.98**	**11,719.01**	**11,429.98**	**12,051.82**	**12,038.49**
14	**TOTAL NET CASH OUTFLOWS**	**8,666.97**	**9,967.02**	**8,189.64**	**9,418.09**	**9,586.28**	**11,024.22**	**9,712.05**	**11,168.86**
15	**LIQUIDITY COVERAGE RATIO (%)**		**133.53%**		**127.23%**		**103.68%**		**107.79%**
	Components of HQLA								
	Cash on hand and balance with banks in current accounts	10,957.69	10,957.69	10,510.63	10,510.63	9,792.13	9,792.13	11,962.93	11,962.93
	Government Securities	–	–	–	–	–	–	–	–
	Corporate Bonds	–	–	–	–	–	–	–	–
	Commercial Papers	2,745.70	2,333.84	1,732.17	1,472.34	1,926.88	1,637.85	88.89	75.56

[1]Unweighted values have been calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows).

[2]Weighted values have been calculated after the application of respective haircuts (for HQLA) and stress factors on inflow and outflow

(ii) Funding Concentration based on significant counterparty

Sr. No.	Number of Significant Counterparties	Amount*	% of Total deposits	% of Total Liabilities
1	Twenty Eight	455,118.90	N.A.	79.40%

*Accured interest but not due and unamortised transaction costs are included in borrowings.

(iii) Top 20 large deposits

There are no deposits accepted by the company during the year as company is non-deposit taking NBFC.

(iv) Top 10 borrowings

Sr. No.	For the Financial Year ended	Amount*	% of total borrowings
1	March 31, 2023	293,161.14	54.47%
2	March 31, 2022	280,340.38	51.32%

*Accured interest but not due and unamortised transaction costs are not included in borrowings.

(All amounts in ₹ lakhs, unless otherwise stated)

(v) Funding Concentration based on significant instrument/product

Sr. No.	Nature of significant instrument/product	As at March 31, 2023		As at March 31, 2022	
		Amount*	% of Total Liabilities	Amount*	% of Total Liabilities
1	Non-convertible debentures	121,770.33	21.25%	137,948.55	23.91%
2	Term loans	266,278.51	46.46%	304,847.36	52.84%
3	Overdraft facility against term deposits	–	0.00%	19,418.55	3.37%
4	External commercial borrowings	40,898.49	7.14%	30,831.82	5.34%
5	Commercial paper	–	0.00%	2,441.29	0.42%
6	Preference shares other than those that qualify as equity	–	0.00%	–	0.00%
7	Liability against securitised assets	114,564.33	19.99%	50,294.24	8.72%
8	Liability against leased assets	1,236.37	0.22%	500.93	0.09%
	Total	**544,748.03**	**95.04%**	**546,282.74**	**94.69%**

*Unamortised processing fees are included in borrowings.

(vi) Stock Ratios:

	Particulars	As at March 31, 2023						
		Amount	Total public funds	Total liabilities	Total assets	% of Total public funds	% of Total liabilities	% of Total assets
1	Commercial papers	–	544,748.04	573,167.97	764,539.65	0.00%	0.00%	0.00%
2	Non-convertible debentures (original maturity of less than one year)	–	544,748.04	573,167.97	764,539.65	0.00%	0.00%	0.00%
3	Other short-term liabilities (excluding commercial paper)	34,385.72	544,748.04	573,167.97	764,539.65	6.31%	6.00%	4.50%

	Particulars	As at March 31, 2022						
		Amount	Total public funds	Total liabilities	Total assets	% of Total public funds	% of Total liabilities	% of Total assets
1	Commercial papers	2,441.29	546,282.74	576,915.67	737,540.50	0.45%	0.42%	0.33%
2	Non-convertible debentures (original maturity of less than one year)	–	546,282.74	576,915.67	737,540.50	0.00%	0.00%	0.00%
3	Other short-term liabilities (excluding commercial paper)	48,525.81	546,282.74	576,915.67	737,540.50	8.88%	8.41%	6.58%

(vii) Institutional set-up for liquidity risk management

The company has a robust risk management system in place. To ensure smooth functioning of business operations, the company maintains adequate liquidity in the form of cash, Bank Balances, and mutual funds. The company has a Risk Management Committee of the Board (RMCB) and is further sub-delegated to the Executive Risk Management Committee and the Asset Liability Management Committee (ALCO). The responsibility of the ALCO is to manage liquidity risk. ALCO reviews and ensures compliance with policies, frameworks, internal limits, and regulatory limits related to ALM and update the same to the board. The Executive Risk Management Committee is responsible for overseeing the implementation of risk management framework across SCNL and providing recommendations to the RMCB. RMCB meetings are held at periodic intervals.

(All amounts in ₹ lakhs, unless otherwise stated)

(D) Details of stressed loans transferred during the year (to be made separately for loans classified as NPA and SMA) in accordance with RBI Master Direction- Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 dated September 24, 2021

(a) Details of NPA loans sold during the year

Sr. No.	Particular	To ARCs		To permitted transferees	
		For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022
1	No: of accounts	23,081	13,695	–	–
2	Aggregate principal outstanding (including interest accrued) of loans transferred	10,000.03	5,314.81	–	–
3	Weighted average residual tenor of the loans transferred (months)	3.70	4.65	–	–
4	Net book value of loans transferred (at the time of transfer)*	10,000.03	5,314.81	–	–
5	Aggregate consideration	8,650.00	5,300.00	–	–
6	Additional consideration realized in respect of accounts transferred in earlier years	–	–	–	–

*excludes ECL provision of ₹ 3,555.42 lakhs (March 31, 2022 : ₹ 2,097.76 lakhs) which has been reversed on account of sale of portfolio of such loans.

(b) There are no loans acquired during the year.

(d) Distribution of the SRs held across the various categories of Recovery Ratings assigned to such SRs by the credit rating agencies.

Sr. No.	Security Receipts	Category of Recovery Ratings	For the year ended March 31, 2023	For the year ended March 31, 2022
1	Security Receipts in Prudent Trust 67/22	IVR RR2	3,276.02	4,505.00
2	Security Receipts in Prudent Trust 70/22	IVR RR3	5,354.41	–
			8,630.43	**4,505.00**

(E) Pursuant to RBI circular RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated August 06, 2020 issued for Resolution Framework for COVID-19-related Stress,

Sr. No.	Type of borrower	As at March 31, 2023				
		Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at September 30, 2022 (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at March 31, 2023
1	Personal Loans	–	–	–	–	–
2	Business Loan - JLG	25,739.51	4,392.62	2,233.53	13,945.37	5,167.99
3	Business Loan - Others	64.92	–	–	14.72	50.20
4	Corporate persons*	103.40	–	–	10.24	93.16
	Total	**25,907.83**	**4,392.62**	**2,233.53**	**13,970.33**	**5,311.35**

Sr. No.	Type of borrower	As at September 30, 2022				
		Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at March 31, 2022 (A)	Of (A) amount written off during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at September 30, 2022
1	Personal Loans	–	–	–	–	–
2	Business Loan - JLG	86,378.95	4,134.58	29,935.58	26,569.28	25,739.51

(All amounts in ₹ lakhs, unless otherwise stated)

Sr. No.	Type of borrower	As at September 30, 2022				
		Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at March 31, 2022 (A)	Of (A) amount written off during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at September 30, 2022
3	Business Loan - Others	78.48	–	–	13.56	64.92
4	Corporate persons*	112.80	–	–	9.40	103.40
	Total	**86,570.23**	**4,134.58**	**29,935.58**	**26,592.24**	**25,907.83**

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

Note 58 : Additional disclosures in terms of RBI circular RBI/2022-23/26 DOR.ACC.REC.No.20/21.04.018/2022-23 dated April 19, 2022 which are not covered in above notes.

A Unhedged foreign currency exposure

There is no unhedged foreign currency exposure as on reporting date.

B Disclosure of complaints

1. Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman.

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Complaints received by the NBFC from its customers		
Number of complaints pending at beginning of the year	51	5
Number of complaints received during the year	7,528	11,093
Number of complaints disposed during the year	7,524	11,047
Of which, number of complaints rejected by the NBFC	11	–
Number of complaints pending at the end of the year	55	51
Maintainable complaints received by the NBFC from Office of Ombudsman		
Number of maintainable complaints received by the NBFC from Office of Ombudsman	13	5
Number of complaints resolved in favour of the NBFC by Office of Ombudsman	13	5
Number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	–	–
Number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	–	–
Number of Awards unimplemented within the stipulated time (other than those appealed)	–	–

2. Top five grounds of complaints received by the NBFCs from customers.

Grounds of complaints (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
For the year ended March 31, 2023					
Application Stage Related	–	2,337	–35%	1	–
Related to Staff Behaviour	17	1,534	–14%	15	–
Related to Insurance/ Hospicash	18	1,230	–59%	6	–
Credit Bureau Related	4	1,010	20%	7	–

(All amounts in ₹ lakhs, unless otherwise stated)

Grounds of complaints (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
Recovery Stage Related	7	544	–53%	10	–
Third Party Product	3	465	–6%	3	–
Disbursement Related	–	306	100%	8	–
Digital Transaction	1	44	–74%	3	–
Loan Interest Related	–	1	100%	–	–
Related to Digital Lending	–	1	100%	–	–
Loan Tenure Related	–	1	100%	–	–
Miscellaneous/Others	1	55	0%	2	–
Total	**51**	**7,528**	**–32%**	**55**	**–**
For the year ended March 31, 2022					
Application Stage Related	–	3,596	81.43%	–	–
Related to Staff Behaviour	1	1,793	78.23%	17	3
Related to Insurance/ Hospicash	3	2,998	91.93%	18	7
Credit Bureau Related	–	840	11.55%	4	–
Recovery Stage Related	–	1,150	100.00%	7	–
Third Party Product	–	494	–18.88%	3	–
Disbursement Related	–	–	0.00%	–	–
Digital Transaction	1	167	475.86%	1	–
Loan Interest Related	–	–	0.00%	–	–
Related to Digital Lending	–	–	0.00%	–	–
Loan Tenure Related	–	–	0.00%	–	–
Miscellaneous/Others	–	55	–65.63%	1	–
Total	**5**	**11,093**	**81.82%**	**51**	**10**

C Intra-group exposures as on March 31, 2023

i) Total amount of intra-group exposures - ₹ 13,566.32 lakh

ii) Total amount of top 20 intra-group exposures - ₹ 13,566.32 lakh

iii) Percentage of intra-group exposures to total exposure of the NBFC on borrowers/customers - 2.30%

D Instances of breach of covenant of loan availed or debt securities issued.

Breach of covenant	As at March 31, 2023
Number of instances	19
Amount involved (₹ in crores)	1,042.00

E There are no instances of Divergence in Asset Classification and Provisioning norms identified by RBI for the financial year.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Note 59 : Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

Particulars	As at March 31, 2023	As at March 31, 2022
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	23.87	172.02
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	–	–
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	–	–
The amount of interest accrued and remaining unpaid at the end of each accounting year.	–	–
The amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	–	–

Note 60 : Additional information pursuant to Ministry of Corporate Affairs notification dated March 24, 2021 with respect to amendments in Schedule III of Companies Act, 2013

(i) All the borrowings of the company are used for the specific purpose for which it was taken.

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

(iii) The company is not a wilful defaulter as declared by any bank or financial Institution or any other lender.

(iv) The Company reviews transactions on an ongoing basis to identify if there are any transactions with struck off companies. To the extent information is available on struck off companies, there are no transactions with struck off companies except as mentioned below.

Name of the company	Nature of transaction	Amount of transaction	Balance outstanding	Relationship
Mekhal Hospitality Services Pvt. Ltd.	Tour & Travel Expense	0.03	Nil	None
KYR Broadband Service Pvt. Ltd.	Internet charges	0.09	Nil	None

(All amounts in ₹ lakhs, unless otherwise stated)

(v) There are no charges or satisfaction yet to be registered with Registrar of Companies (ROC) beyond the statutory period.

(vi) The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

(vii) There are no transactions which are not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(viii) The Company has not traded or invested in Crypto currency or Virtual Currency during the year.

(ix) Analytical ratios

Ratio	Numerator	Denominator	March 31, 2023	March 31, 2022	% Variance	Reason for variance (if above 25%)
Capital to risk-weighted assets ratio (CRAR)						
- Tier I CRAR	122,559.70	483,749.80	25.33%	23.25%	8.99%	NA
- Tier II CRAR	6,233.76	483,749.80	1.29%	4.59%	–71.92%	Repayment of subordinate liablilties.
Liquidity coverage ratio	13,308.83	9,967.02	133.53%	241.43%	–107.90%	Optimum liquidity maintained in current year.

Note 61 : Previous year figures have been regrouped/rearranged, wherever considered necessary, to conform to the classification/ disclosure adopted in the current year.

For **S S Kothari Mehta & Company**
Chartered Accountants
Firm's Registration No. 000756N
Naveen Aggarwal
Partner
Membership Number: 094380

Place: Gurugram
Date: April 29, 2023

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

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

Satvinder Singh
(Director)
DIN: 00332521

Sanjay Kumar Bhatia
(Chairman Audit Committee cum Director)
DIN: 07033027

Rakesh Sachdeva
(Chief Financial Officer)

Vikas Gupta
(Company Secretary & Compliance Officer)
Membership Number: A24281

Place: Gurugram
Date: April 29, 2023

Independent Auditor's Report

To the Members of
Satin Creditcare Network Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Satin Creditcare Network Limited** (the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as the "Group") which comprise the Consolidated Balance Sheet as at March 31, 2023, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid Consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2023, of consolidated profit & total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

Matter related to subsidiary Company – Satin Finserv Limited (SFL)

We draw attention to Note no. 54 to the consolidated financial statements which explain that, during the year, Taraashna Financial Services Limited (i.e. "TFSL") (amalgamating entity) was amalgamated with Satin Finserv Limited vide Hon'ble NCLT Order dated January 31, 2023. The scheme got effective from March 01, 2023. The Appointed Date of Scheme is April 01, 2021. By the effect of Appointed Date (i.e., April 01, 2021), the financial numbers of SFL for the financial year ended March 31, 2022, are also restated due to amalgamation of the merged entity i.e. TFSL with the SFL.

We further draw attention to Note No 54 to the consolidated financial statements which explains that due to the amalgamation of the amalgamating entity with the SFL, which is registered as a Non-Banking Financial Company (NBFC), as on March 31, 2023, SFL is not fulfilling Principal Business Criteria laid down by the RBI. As per the criteria, at least 50% of total assets of the SFL should be financial assets and at least 50% of the gross income should be from financial activities. SFL meets the first criteria but does not meet the second criteria as on March 31,2023. However, the RBI vide letter dated July 22,2022, has granted time to SFL till March 31, 2024, for fulfilling the said criteria.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditor's Response
In Respect of Holding Company **Use of information processing system for accounting and financial reporting** The Company is operating in Financial Services Sector, where in due to large volume processing, the accounting & reporting of financial information is reliant on information processing systems and Information Technology (IT) backed internal controls. The controls implemented by the Company in its IT environment determine the integrity, accuracy, completeness and validity of data that is processed by the applications and is ultimately used for financial reporting. Since our audit strategy included focus on entity's information processing systems relevant to our audit due to their pervasive impact on the standalone financial statements, we have determined the use of information processing system for accounting and financial reporting as a key audit matter for the current year audit.	**Principal Audit Procedures** Our key audit procedures on this matter included, but were not limited, to the following: (a) obtained an understanding of the Company's information processing systems, IT General Controls and automated IT controls for applications, databases and operating systems relevant to our audit; (b) Performance of the following procedures: i. tested the IT General Controls around user access management, system change management, and IT operational controls along with segregation of duties around program maintenance, security administration and over key financial accounting and reporting processes; ii. tested the design and operating effectiveness of the Company's periodic review of access rights. We also tested requests of changes to systems for approval and authorization; iii. tested the automated controls like interfaces and information generated by the entity's information processing systems for loans, interest income and other significant financial statement items; and iv. in addition to the above, we tested the design and operating effectiveness of certain automated controls that were considered as key internal controls over financial reporting (c) obtained written representations from management and those charged with governance on whether IT general controls and automated IT controls are designed and were operating effectively during the period covered by our audit.
In respect of Holding Company **Impairment of Financial Assets as at Balance Sheet date (Expected Credit losses on loans)** ***[Refer Note No. 3(k) for the accounting policy and Note No. 44 for the related disclosures of Standalone Financials of the Company]*** As at March 31, 2023, the Company has financial assets (loans) amounting to ₹ 5,68,421.19 lakhs including loans which are carried at fair value through other comprehensive income amounting to ₹ 3,71,636.22 lakhs. As per Ind AS 109 - Financial Instruments, the Company is required to recognize loss allowance for expected credit losses (ECL) on financial assets. ECL involves an estimation of probability weighted loss on financial instruments over their life, considering reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions which could impact the credit quality of the Company's loans and advances.	**Principal Audit Procedures** Our audit focused on assessing the appropriateness of management's judgment and estimates used in the impairment analysis through the following procedures, but were not limited to the following procedures: a) performed a walkthrough of the impairment loss allowance process and assessed the design effectiveness of controls; b) read and assessed the Company's accounting policies for impairment of financial assets and their compliance with Ind AS 109 and the governance framework approved by the Board of Directors pursuant to guidelines issued by Reserve Bank of India. c) obtained an understanding of the model adopted by the Company including key inputs, assumptions and management overlays for calculation of expected credit losses on the assumptions and how management calculated the expected credit losses and the appropriateness of data on which the calculation is based; d) obtained the reports of the expert appointed by the management and assessed the expert's professional competence, independence and objectivity in developing the ECL model; e) evaluated the appropriateness of the Company's determination of significant increase in credit risk in accordance with the applicable Ind AS.

Key Audit Matter	Auditor's Response
ECL is calculated using the percentage of probability of default (PD), loss given default (LGD) and exposure at default (EAD) for each of the stages of loan portfolio. ECL is measured at 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 loan assets. Significant management judgment and assumptions involved in measuring ECL is required with respect to: • determining the criteria for a significant increase in credit risk (SICR) • factoring in future economic assumptions • techniques used to determine probability of default, loss given default and exposure at default. These parameters are derived from the Company's internally developed statistical models with the help of experts appointed by the management and other historical data.	f) as modeling assumptions and parameters are based on historical data, we assessed whether historical experience was representative of current circumstances and was relevant in view of the recent impairment losses incurred within the portfolios; Assessed the criteria for staging of loans based on their past due status to check compliance with requirement of Ind AS 109. Tested a sample of performing (stage 1) loans to assess whether any SICR or loss indicators were present requiring them to be classified under higher stages. g) tested the design and operating effectiveness of the key controls over completeness and accuracy of the key inputs and assumptions considered for calculation, recording and monitoring of the impairment loss recognized; h) tested the accuracy of inputs through substantive procedures and assessed the reasonableness of the assumptions used; i) developed a point estimate by making reference to the expected credit losses recognized by entities that carry comparable financial assets; j) tested the arithmetical calculation of the expected credit losses; k) assessed the appropriateness and adequacy of the related presentation and disclosures in the accompanying financial statements in accordance with the applicable Ind AS and related RBI circulars and Resolution Framework; and l) obtained written representations from management and those charged with governance whether they believe significant assumptions used in calculation of expected credit losses are reasonable.

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

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility and Sustainability Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the other information identified above, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Boards of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Boards of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Boards of Directors either intend to liquidate their respective entities or to cease operations, or have no realistic alternative but to do so.

The respective Boards of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern.

  If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of the Holding Company included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets of ₹ 81,217.68 lakhs as at March 31, 2023, total revenues of ₹ 16,837.90 Lakhs, Net Profit after Tax of ₹ 1,198.66 lakhs, total Comprehensive Income of ₹ 1,036.80 lakhs and cash outflow (net) amounting to ₹ 802.13 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management of the Holding Company and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries based solely on the reports of the other auditors.

Our opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, based on our audit we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

   c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.

   e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2023 from being appointed as a director in terms of 164 (2) of the Act.

   f. With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Holding Company and its subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.

   g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

      In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

      i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.

      ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long- term contracts including derivative contracts;

      iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.

      iv) (a) The respective Management of the Holding Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Management of the Holding Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Holding Company or any of such subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v) The Holding Company or its subsidiaries have not declared or paid any dividend during the year and has not proposed final dividend for the year.

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

2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and further to the comments in "Annexure A" to Independent Auditor's Report on Standalone Financial Statements issued by us and auditors of its subsidiaries included in the consolidated financial statements of the Company, we report that there are no qualifications or adverse remarks in these CARO reports.

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

Naveen Aggarwal
Partner
Membership No.094380
UDIN : 23094380BGUMXY8140

Place : Gurugram
Date : April 29, 2023

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Satin Creditcare Network Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

In conjunction with our audit of the consolidated financial statements of the Holding Company as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to financial statements of Satin Creditcare Network Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the internal control with reference to financial statements of the Holding Company and its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal control with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to financial statements of the Holding Company and its subsidiary companies, which are companies incorporated in India.

Meaning of Internal Financial Controls with reference to the financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to the financial statements

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to the financial statements and such internal financial controls with reference to the financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to the financial statements established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

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

Naveen Aggarwal
Partner
Membership No.094380
UDIN : 23094380BGUMXY8140

Place : Gurugram
Date : April 29, 2023

Consolidated Balance Sheet

as at March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
Financial Assets			
Cash and cash equivalents	4	25,770.63	109,126.48
Other bank balances	5	85,665.12	91,067.88
Derivative financial instruments	6	2,231.64	1,192.75
Trade receivables	7	539.45	276.08
Loans	8	632,885.67	530,842.27
Investments	9	6,175.90	4,856.62
Other financial assets	10	2,312.80	2,902.89
		755,581.21	**740,264.97**
Non-financial Assets			
Current tax assets (net)	11	4,327.55	526.10
Deferred tax assets (net)	12	8,857.48	8,253.66
Investment Property	13	664.26	698.26
Property, plant and equipment	14	8,681.88	8,282.18
Capital work-in-progress	14	–	17.89
Goodwill		3,370.66	3,370.66
Other intangible assets	15	179.17	230.40
Other non-financial assets	16	3,294.60	3,882.94
		29,375.60	**25,262.09**
TOTAL ASSETS		**784,956.81**	**765,527.06**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Payables			
Trade payables	17		
(i) total outstanding dues of micro enterprises and small enterprises		10.42	10.42
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		497.45	1,268.06
Other payables	18		
(i) total outstanding dues of micro enterprises and small enterprises		23.87	172.02
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1,527.78	1,520.19
Debt securities	19	109,643.58	119,241.39
Borrowings (other than debt securities)	20	444,358.26	408,079.96
Subordinated liabilities	21	37,122.90	47,030.53
Other financial liabilities	22	27,071.94	28,001.28
		620,256.20	**605,323.85**
Non-financial Liabilities			
Provisions	23	934.35	982.33
Other non-financial liabilities	24	953.82	1,035.54
		1,888.17	**2,017.87**
EQUITY			
Equity share capital	25	8,479.63	7,459.12
Other equity	26	154,332.81	150,726.22
		162,812.44	**158,185.34**
TOTAL LIABILITIES AND EQUITY		**784,956.81**	**765,527.06**

Statement of significant accounting policies and other explanatory notes. 1-3

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

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

Naveen Aggarwal
Partner
Membership Number: 094380

Place: Gurugram
Date: April 29, 2023

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

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

Satvinder Singh
(Director)
DIN: 00332521

Sanjay Kumar Bhatia
(Chairman Audit Committee cum Director)
DIN: 07033027

Rakesh Sachdeva
(Chief Financial Officer)

Vikas Gupta
(Company Secretary & Compliance Officer)
Membership Number: A24281

Place: Gurugram
Date: April 29, 2023

Consolidated Statement of Profit and Loss

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
I. Income			
Revenue from operations			
Interest income	27	124,896.84	122,773.49
Dividend income	28	0.17	3.15
Rental income	29	38.28	35.63
Fees and commission income	30	7,674.41	8,126.77
Net gain on fair value changes	31	1,415.45	1,423.43
Net gain on derecognition of financial instruments	32	21,571.16	5,165.51
Other operating income	33	132.73	176.60
Total Revenue from operations		**155,729.04**	**137,704.58**
Other income	34	173.29	409.40
Total Income		**155,902.33**	**138,113.98**
II. Expenses			
Finance costs	35	61,673.10	63,071.51
Impairment on financial instruments	36	40,808.22	18,073.66
Employee benefit expenses	37	38,760.29	39,312.43
Depreciation and amortisation expense	38	1,839.37	1,609.77
Other expenses	39	12,297.28	12,628.75
Total		**155,378.26**	**134,696.12**
Profit before tax		**524.07**	**3,417.86**
Tax expense:	40		
Current tax		(48.89)	3,402.70
Deferred tax		91.65	(2,054.73)
Total tax expenses		**42.76**	**1,347.97**
Profit after tax		**481.31**	**2,069.89**
Other comprehensive income			
Items that will not be reclassified to profit and loss			
Re-measurements of the defined benefit plans		(47.92)	19.57
Equity instruments through other comprehensive income		(2,731.61)	–
Income tax relating to above items		699.85	(5.11)
	A	**(2,079.68)**	**14.46**
Items that will be reclassified to profit and loss			
Changes in fair value of loan assets		44.87	(3,915.05)
Income tax relating to above item		(11.30)	985.28
Cash flow hedge reserve		(27.48)	–
Income tax relating to above item		6.92	–
	B	**13.01**	**(2,929.77)**
Other comprehensive income	A+B	**(2,066.67)**	**(2,915.31)**
Total comprehensive income		**(1,585.36)**	**(845.42)**
Net profit after tax attributable to			
Owners of the Parent Company		481.31	2,069.89
Non-controlling interests		–	–
Other comprehensive income attributable to			
Owners of the Parent Company		(2,066.67)	(2,915.31)
Non-controlling interests		–	–
Total comprehensive income attributable to			
Owners of the Parent Company		(1,585.36)	(845.42)
Non-controlling interests		–	–
Earnings per equity share (face value of ₹ 10 per equity share)	41		
Basic (₹)		0.62	2.96
Diluted (₹)		0.59	2.72

Statement of significant accounting policies and other explanatory notes. 1-3

This consolidated Statement of Profit and Loss referred to in our report of even date.

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

Naveen Aggarwal
Partner
Membership Number: 094380

Place: Gurugram
Date: April 29, 2023

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

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

Satvinder Singh
(Director)
DIN: 00332521

Sanjay Kumar Bhatia
(Chairman Audit Committee cum Director)
DIN: 07033027

Rakesh Sachdeva
(Chief Financial Officer)

Place: Gurugram
Date: April 29, 2023

Vikas Gupta
(Company Secretary & Compliance Officer)
Membership Number: A24281

Consolidated Cash Fow Statement

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
A	**Cash flow from operating activities**		
	Profit before tax	524.07	3,417.86
	Adjustments for:		
	Depreciation and amortisation	1,229.41	1,284.30
	Depreciation of right-of-use assets	609.96	289.72
	Net (gain)/loss on derecognition of property, plant and equipment	(9.95)	20.03
	Fair value gain on mutual funds	(375.37)	(264.81)
	Unrealised gain on fair value changes of derivatives and investments	(1,040.08)	(1,158.62)
	Property, plant and equipment written off	6.01	39.14
	Impairment on financial instruments	40,808.22	18,073.66
	Dividend income	(0.17)	(3.15)
	Gain on sale of loan portfolio through assignment	(21,571.16)	(5,165.51)
	First loss default guarantee expenses	104.69	2,956.11
	Share based payment to employees	–	(38.85)
	Effective interest rate adjustment for financial instruments	1,545.17	1,931.83
	Interest expense for leasing arrangements	141.07	89.03
	Net gain on termination of leases	(7.59)	(7.78)
	Unrealised exchange fluctuation loss (net)	519.90	367.92
	Operating profit before working capital changes	**22,484.18**	**21,830.88**
	Movement in working capital		
	(Increase)/decrease in trade receivables	(263.37)	1,669.44
	(Increase)/decrease in loans	(118,516.18)	33,465.92
	Decrease/(increase) in fixed deposits	5,402.76	(11,638.69)
	Decrease in other financial assets	564.72	1,070.80
	Decrease/(increase) in other non-financial assets	588.34	(1,164.67)
	Decrease in trade and other payables	(911.17)	(392.88)
	Decrease in other financial liabilities	(1,040.32)	(6,731.16)
	Decrease in provisions	(95.90)	(640.95)
	(Decrease)/increase in other non-financial liabilities	(81.72)	164.56
	Cash (used in)/generated from operating activities post working capital changes	**(91,868.66)**	**37,633.25**
	Income taxes paid (net)	(3,765.43)	(4,016.68)
	Net cash (used in)/generated from operating activities (A)	**(95,634.09)**	**33,616.57**
B	**Cash flows from investing activities**		
	Purchase of property, plant and equipment	(969.19)	(593.53)
	Proceeds from sale of property, plant and equipment	72.26	44.36
	Purchase of intangible assets	(24.51)	–
	Dividend income	0.17	3.15
	Purchase of investments	(530,931.63)	(477,085.63)
	Sale of investments	524,563.07	472,551.88
	Net cash used in investing activities (B)	**(7,289.83)**	**(5,079.77)**
C	**Cash flows from financing activities (refer to note i below)**		
	Proceeds from issue of share capital and share warrants (including premium and net of share issue expenses)	6,218.75	10,453.10
	Proceeds from debt securities	28,209.32	29,585.32
	Repayment of debt securities	(38,043.56)	(81,783.71)
	Proceeds from borrowings other than debt securities	424,769.35	319,963.64
	Repayment of borrowings other than debt securities	(371,545.96)	(316,735.27)
	Lease payments	(730.18)	(354.99)
	Repayment of subordinated liabilities	(9,890.93)	(5,370.18)
	Net cash generated from/(used in) financing activities (C)	**38,986.79**	**(44,242.09)**
	Net decrease in cash and cash equivalents (A+B+C)	(63,937.13)	(15,705.29)
	Cash and cash equivalents at the beginning of the year (refer to note ii below)	89,707.76	105,413.05
	Cash and cash equivalents at the end of the year	**25,770.63**	**89,707.76**

i) Refer to note 21 for reconciliation of liabilities arising from financing activities.

ii) Refer to note 5 for restricted cash and cash equivalent.

Consolidated Cash Fow Statement

for the year ended March 31, 2023 (Contd..)

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Notes:		
Cash and cash equivalents (as per note 4 to the financial statements)	25,770.63	109,126.48
Less: Overdraft facility against term deposits (as per note 20 to the financial statements)	–	(19,418.72)
	25,770.63	**89,707.76**

Statement of significant accounting policies and other explanatory notes. Note 1-3

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

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

Naveen Aggarwal
Partner
Membership Number: 094380

Place: Gurugram
Date: April 29, 2023

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

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

Satvinder Singh
(Director)
DIN: 00332521

Sanjay Kumar Bhatia
(Chairman Audit Committee cum Director)
DIN: 07033027

Rakesh Sachdeva
(Chief Financial Officer)

Vikas Gupta
(Company Secretary & Compliance Officer)
Membership Number: A24281

Place: Gurugram
Date: April 29, 2023

Consolidated Statement of Changes in Equity

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

A. Equity share capital (Refer note 25)

March 31, 2023

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

March 31, 2022

Particulars	Balance as at April 1, 2021	Changes in Equity Share Capital due to prior period errors	Restated balance at April 1, 2021	Changes during the year	Balance as at March 31, 2022
Equity share capital	6,647.12	–	6,647.12	812.00	7,459.12

B. Other equity (Refer note 26)

Particulars	Reserves and Surplus						Equity instruments through other comprehensive income	Change in fair value of loan assets through other comprehensive income	Money received against share warrants	Cash flow hedge reserve	Total attributable to equity holders of the parent	Total non-controlling interest	Total
	Statutory reserve fund	Securities premium	General reserve	Capital redemption reserve	Share options outstanding account	Retained earnings							
Balance as at April 1, 2021	**10,102.09**	**101,809.54**	**29.94**	**277.00**	**217.77**	**26,007.99**	**(5.00)**	**3,509.45**	**–**	**20.56**	**141,969.34**	**–**	**141,969.34**
Profit for the year	–	–	–	–	–	2,069.89	–	–	–	–	2,069.89	–	2,069.89
Other comprehensive income (net of tax)	–	–	–	–	–	14.46	–	(2,929.77)	–	–	(2,915.31)	–	(2,915.31)
Issue of equity shares (net of share issue expenses)	–	4,645.62	–	–	–	–	–	–	–	–	4,645.62	–	4,645.62
Issue of share warrants (refer note 25 (F) and 26)	–	–	–	–	–	–	–	–	5,000.00	–	5,000.00	–	5,000.00
Transfer to statutory reserves	901.89	–	–	2,500.00	–	(3,401.89)	–	–	–	–	–	–	–
Transfer from share options outstanding account	–	–	–	–	(178.97)	178.97	–	–	–	–	–	–	–
Share issue expense of subsidiary	–	–	–	–	–	(4.52)	–	–	–	–	(4.52)	–	(4.52)
Share based payment to employees	–	–	–	–	(38.80)	–	–	–	–	–	(38.80)	–	(38.80)
Balance as at March 31, 2022	**11,003.98**	**106,455.16**	**29.94**	**2,777.00**	**–**	**24,864.90**	**(5.00)**	**579.68**	**5,000.00**	**20.56**	**150,726.22**	**–**	**150,726.22**
Profit for the year	–	–	–	–	–	481.31	–	–	–	–	481.31	–	481.31

Consolidated Statement of Changes in Equity

for the year ended March 31, 2023 (Contd..)

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Reserves and Surplus						Equity instruments through other comprehensive income	Change in fair value of loan assets through other comprehensive income	Money received against share warrants	Cash flow hedge reserve	Total attributable to equity holders of the parent	Total non-controlling interest	Total
	Statutory reserve fund	Securities premium	General reserve	Capital redemption reserve	Share options outstanding account	Retained earnings							
Other comprehensive income (net of tax)	–	–	–	–	–	(35.57)	(2,044.12)	33.57	–	(20.56)	(2,066.68)	–	(2,066.68)
Issue of equity shares (net of share issue expenses)	–	7,271.15	–	–	–	–	–	–	(8,291.67)	–	(1,020.52)	–	(1,020.52)
Issue of share warrants (refer note 25 (F) and 26)	–	–	–	–	–	–	–	–	6,218.75	–	6,218.75	–	6,218.75
Transfer to statutory reserves	5,569.32	–	–	–	–	(5,569.32)	–	–	–	–	–	–	–
Share issue expense of subsidiary	–	–	–	–	–	(6.27)	–	–	–	–	(6.27)	–	(6.27)
Balance as at March 31, 2023	**16,573.30**	**113,726.31**	**29.94**	**2,777.00**	**–**	**19,735.05**	**(2,049.12)**	**613.25**	**2,927.08**	**–**	**154,332.81**	**–**	**154,332.81**

Statement of significant accounting policies and other explanatory notes.

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

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

Naveen Aggarwal
Partner
Membership Number: 094380

Place: Gurugram
Date: April 29, 2023

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

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

Satvinder Singh
(Director)
DIN: 00332521

Sanjay Kumar Bhatia
(Chairman Audit Committee cum Director)
DIN: 07033027

Rakesh Sachdeva
(Chief Financial Officer)

Vikas Gupta
(Company Secretary & Compliance Officer)
Membership Number: A24281

Place: Gurugram
Date: April 29, 2023

Note 1 : Group overview

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

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

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

Note 2 :

A. Basis of preparation

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

These consolidated financial statements ("the Financial Statements") have been prepared in accordance with the Indian Accounting Standards ('Ind AS') as notified by Ministry of Corporate Affairs ('MCA') under Section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time. The Group has uniformly applied the accounting policies for all the periods presented in this financial statements.

The financial statements for the year ended March 31, 2023 were authorized and approved for issue by the Board of Directors on April 29, 2023.

(ii) Historical cost convention

The financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India. Further, the financial statements have been prepared on a historical cost basis, except for fair value through other comprehensive income (FVOCI) instruments, derivative financial instruments, and financial assets and liabilities designated at fair value through profit or loss (FVTPL), all of which have been measured at fair value. Further the carrying values of recognised assets and liabilities that are hedged items in fair value hedges, and otherwise carried at amortised cost, are adjusted to record changes in fair value attributable to the risks that are being hedged.

(iii) Going Concern

Management is of the view that having regard to the projections of the business prospects, Group shall be able to continue as a going concern. Accordingly, management considers it appropriate to prepare these financials statements on a going concern basis.

B. Basis of consolidation

The consolidated financial statements has comprised financial statements of the Company and its subsidiaries, subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. The Group can have power over the investee even if it owns less than majority voting rights i.e. rights arising from other contractual arrangements. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. Statement of profit and loss (including other comprehensive income ('OCI')) of subsidiaries acquired or disposed of during the period are recognized from the effective date of acquisition, or up to the effective date of disposal, as applicable.

The Group combines the financial statements of the Parent Company and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's statement of profit and loss and net assets that is not held by the Group. Statement of profit and loss balance (including other comprehensive income ('OCI')) is attributed to the equity holders of the Parent Company and to the non-controlling interest basis the respective ownership interests and such balance is attributed even if this results in controlling interests having a deficit balance.

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. Such a change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognized within equity.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Corporation's accounting policies. All intra-group assets, liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Note 3 : Summary of significant accounting policies

The financial statements have been prepared using the significant accounting policies and measurement bases summarised as below. These policies are applied consistently for all the periods presented in the financial statements.

a) Property, plant and equipment

Recognition and initial measurement

Property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance costs are recognised in statement of profit and loss.

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

Property, plant and equipment are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation on property, plant and equipment is provided on the written down value method over the useful life of the assets estimated by the management. The useful life estimated by the management is as under:

Asset class	Useful life
Building	60 years
Electrical equipment	10-25 years
Office equipment	5 years
Computer equipment	3-6 years
Furniture and fixtures	10 years
Vehicles	8-10 years

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

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

De-recognition

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

Capital work-in-progress

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

b) Investment property

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

The Group depreciates building component of investment property over 60 years from the date of original purchase.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of de-recognition.

c) Intangible assets

Recognition and initial measurement

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

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

Intangible assets are amortised over a period of 3-5 years from the date when the assets are available for use. The estimated useful life (amortisation period) of the intangible assets is arrived basis the expected pattern of consumption of economic benefits and is reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

d) Intangible assets under development

Intangible assets under development represents expenditure incurred in respect of intangible assets under development and are carried at cost. Cost includes development cost, borrowing costs and other direct expenditure necessary to create, produce and prepare the asset to be capable of operating in the manner intended by management. These are recognised as assets when the Group can demonstrate following recognition requirements:

- The development costs can be measured reliably
- The project is technically and commercially feasible
- The Group intends to and has sufficient resources to complete the project
- The Group has the ability to use or sell such intangible asset
- The asset will generate probable future economic benefits.

Amortisation of the asset begins when development is complete and the asset is available for use.

e) Revenue recognition

Interest income on loans

The Group recognises interest income using Effective Interest Rate (EIR) on all financial assets subsequently measured at amortised cost or fair value through other comprehensive income (FVOCI). EIR is calculated by considering any fees and all incremental costs that are directly attributable to acquisition of a financial asset and it represents a rate that exactly discounts estimated future cash payments/receipts through the expected life of the financial asset to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

The Group recognises interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. In case of credit-impaired financial assets regarded as 'Stage 3', the Group recognises interest income on the net amortised cost of financial assets at EIR. If financial asset is no longer credit-impaired Group reverts to calculating interest income on a gross basis.

Income from assignment transactions

Income from assignment transactions i.e. present value of excess interest spread is recognised when the related loan assets are de-recognised. Interest income is also recognised on carrying value of remaining assets over the outstanding period of such assets.

Commission income

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

Dividend income

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

Miscellaneous income

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

f) Borrowing costs

Borrowing costs consists of interest and other cost that the Group incurred in connection with the borrowing of funds. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset form part of the cost of that asset. Borrowing costs are charged to the Statement of Profit and Loss on the basis of effective interest rate method.

g) Taxation

I. **Current tax:** Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, in accordance with the Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS) prescribed therein. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

   Current tax relating to items recognised outside profit or loss is recognised in correlation to the underlying transaction either in OCI or directly in other equity.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

II. **Deferred Tax:** Deferred tax is provided using the Balance Sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for deductible temporary differences to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets, if any, are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised either in OCI or in other equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority. Tax expense recognized in Statement of Profit and Loss comprises the sum of deferred tax and current tax except to the extent it recognized in other comprehensive income or directly in equity.

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

h) Employee benefits

Short-term employee benefits

Short-term employee benefits including salaries, short term compensated absences (such as a paid annual leave) where the absences are expected to occur within twelve months after the end of the period in which the employees render the related service, profit sharing and bonuses payable within twelve months after the end of the period in which the employees render the related services and non-monetary benefits for current employees are estimated and measured on an undiscounted basis.

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

Defined contribution plans

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

Defined benefit plans

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

Other long-term employee benefits

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

i) Share based payments

The Parent Company has formulated an Employees Stock Option Schemes to be administered through a Trust. The stock options granted to employees pursuant to the Parent Company's Stock Options Schemes, are measured at the fair value of the options at the grant date. The fair value of options granted under Employee Stock Option Plan is recognised as an employee benefits expense with a corresponding increase in other equity. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the Parent Company revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in Statement of Profit and Loss, with a corresponding adjustment to equity.

j) Impairment of non-financial assets

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. Recoverable amount is higher of an asset's fair value less cost of disposal and its value in use. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the reporting date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

Compensation for impairment

Compensation from third parties for items of property, plant and equipment that were impaired, lost or given up are recognised in statement of profit and loss when the compensation becomes receivable.

Financial Guarantees

Financial guarantees are initially recognised at fair value. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

The premium received (if any) is recognised as income on a straight-line basis over the life of the guarantee.

k) Impairment of financial assets

The Group is recording the allowance for expected credit losses for all loans at amortised cost and FVOCI and other financial assets not held at FVTPL

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL). The Group's policies for determining if there has been a significant increase in credit risk.

Loan assets

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

- Stage 1 (1-30 days) includes loan assets that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date.
- Stage 2 (31-90 days) includes loan assets that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment.
- Stage 3 (more than 90 days) includes loan assets that have objective evidence of impairment at the reporting date.

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

Probability of Default (PD) - The PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months (12 months PD), or over the remaining lifetime (Lifetime PD) of the obligation.

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

Exposure at Default (EAD) – EAD is based on the amounts the Group expects to be owed at the time of default.

Forward-looking economic information (including management overlay) is included in determining the 12-month and lifetime PD, EAD and LGD. The assumptions underlying the expected credit loss are monitored and reviewed on an ongoing basis.

Trade receivables

In respect of trade receivables, the Group applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of trade receivables.

Other financial assets

In respect of its other financial assets, the Group assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Group measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Group uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Group compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Group assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

Write-offs

Financial assets are written off either partially or in their entirety to the extent that there is no realistic prospect of recovery. Any subsequent recoveries are credited to impairment on financial instrument on statement of profit and loss.

l) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand (including imprest), demand deposits and short-term highly liquid investments (certificate of deposits and commercial paper) that are readily convertible into known amount of cash and which are subject to an insignificant risk of changes in value. The Group has netted off the balance of bank overdraft with cash and cash equivalents for cash flow statement as they are considered an integral part of the Group's cash management.

m) Equity investment in subsidiaries

Investments representing equity interest in subsidiaries are accounted for at Fair Value through Profit and Loss (FVTPL) in accordance to Ind AS 109 read with Ind AS 27 Separate Financial Statements.

n) Provisions, contingent assets and contingent liabilities

Provisions are recognized only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Group or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognised but disclosed where an inflow of economic benefits is probable.

o) Leases

Group as a lessee

A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Group assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract the Group has the right to direct the use of the identified asset throughout the period of use.

The Group assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit

(All amounts in ₹ lakhs, unless otherwise stated)

in the lease if that rate is readily available or the Group's incremental borrowing rate.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

Determining the lease term of contracts with renewal and termination options where Group is lessee -

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination.

Group as lessor:

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

Classification of leases –

The Group enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

p) Financial instruments

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs. Subsequent measurement of financial assets and financial liabilities is described below.

Non-derivative financial assets

Subsequent measurement

i. **Financial assets carried at amortised cost –** a financial asset is measured at the amortised cost if both the following conditions are met:

   - The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
   - Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

   After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the Statement of Profit and Loss.

ii. **Financial assets are measured at FVOCI when both of the following conditions are met: –** a financial asset is measured at the FVOCI if both the following conditions are met:

   - The instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets
   - The contractual terms of the financial asset meet the SPPI test

   FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI. Interest income are recognised in profit or loss in the same manner as for financial assets measured at amortised cost.

   Investment in security receipts issued by trust floated by asset reconstruction companies are accounted for at fair value through other comprehensive income (FVOCI).

iii. **Investments in equity instruments –** Investments in equity instruments which are held for trading are classified as at fair value through profit or loss (FVTPL). For all other equity instruments, the Group makes an irrevocable choice upon initial recognition, on an instrument by instrument basis, to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL). Amounts presented in other comprehensive income are not subsequently transferred to profit or loss. However, the Group transfers the cumulative gain or loss within equity. Dividends on such investments are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

iv. **Investments in mutual funds –** Investments in mutual funds are measured at fair value through profit and loss (FVTPL).

v. **Financial assets measured at FVPL –** FVPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL, with all changes recognized in the P&L.

De-recognition of financial assets

Financial assets (or where applicable, a part of financial asset or part of a group of similar financial assets) are de-recognised (i.e. removed from the Group's balance sheet) when the contractual rights to receive the cash flows from the financial asset have expired, or when the financial asset and substantially all the risks and rewards are transferred. Further, if the Group has not retained control, it shall also de-recognise the financial asset and recognise separately as assets or liabilities any rights and obligations created or retained in the transfer.

Non-derivative financial liabilities

Subsequent measurement

Subsequent to initial recognition, all non-derivative financial liabilities are measured at amortised cost using the effective interest method.

De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

First loss default guarantee

First loss default guarantee contracts are contracts that require the Group to make specified payments to reimburse the bank for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a agreement. Such financial guarantees are given to bank, for whom the Group acts as 'Business Correspondent'.

These contracts are initially measured at fair value and subsequently measure at higher of:

- The amount of loss allowance (calculated as described in policy for impairment of financial assets)
- Maximum amount payable as on the reporting date to the bank which is based on the amount of loans overdue for more than 75/90 days in respect to agreements with banks.

Further, the maximum liability is restricted to the cash outflow agreed in the agreement.

Compound financial instruments

Optionally convertible instruments are separated into liability and equity components based on the terms of the contract. On issuance of the said instruments, the liability component is arrived by discounting the gross sum (including redemption premium, if any) at a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost until it is extinguished on conversion or redemption. The remainder of the proceeds is recognised as equity component of compound financial instrument. This is recognised and included in shareholders' equity, net of income tax effects, and not subsequently re-measured.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derivative contracts

The Group enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit and loss using mark to market information.

Fair value measurement

The Group measures financial instruments at fair value at each balance sheet date using valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

a) In the principal market for the asset or liability, or

b) In the absence of a principal market, in the most advantageous market for the asset or liability.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured are categorised with fair value hierachy into Level I, Level II and Level III based on level of input.

q) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss (interest and other finance cost associated) for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

r) Segment reporting

The Group identifies segment basis of the internal organization and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are regularly reviewed by the CODM ('chief operating decision maker') and in assessing performance. The accounting policies adopted for segment reporting are in line with the accounting policies of the Group. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship with the operating activities of the segment.

s) Foreign currency

Functional and presentation currency

Items included in the financial statement of the Group are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements have been prepared and presented in Indian Rupees (₹), which is the Group's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency, by applying the exchange rates on the foreign currency amounts at the date of the transaction. Foreign currency monetary items outstanding at the balance sheet date are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the Statement of Profit and Loss in the year in which they arise.

t) Government grants

Grants and subsidies from the government are recognised when there is reasonable assurance that (i) the Group will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

Grant or subsidy relates to revenue, it is recognised as income on a systematic basis in profit or loss over the periods necessary to match them with the related costs, which they are intended to compensate.

u) Significant management judgement in applying accounting policies and estimation uncertainty

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the related disclosures. Actual results may differ from these estimates.

Significant management judgements

Recognition of deferred tax assets – The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized.

Business model assessment - The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortised cost that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group 's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and accordingly prospective change to the classification of those assets are made.

Evaluation of indicators for impairment of assets – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

Expected credit loss ('ECL') – The measurement of expected credit loss allowance for financial assets measured at amortised cost requires use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. likelihood of customers defaulting and resulting losses). The Group makes significant judgements with regard to the following while assessing expected credit loss:

- Determining criteria for significant increase in credit risk;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/ market and the associated ECL; and
- Establishing groups of similar financial assets for the purposes of measuring ECL.

Provisions – At each balance sheet date basis of the management judgment, changes in facts and legal aspects, the Group assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

Significant estimates

Useful lives of depreciable/amortisable assets – Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of assets.

Defined benefit obligation (DBO) – Management's estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Fair value measurements – Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.

v) Statement of Cash Flows

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method adjusting the net profit for the effects of:

I. Changes during the period in operating receivables and payables transactions of a non-cash nature;

II. Non-cash items such as depreciation, provisions, deferred taxes, unrealised foreign currency gains and losses; and

III. All other items for which the cash effects are investing or financing cash flows.

Notes to the Consolidated Financial Statements
for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Note 4 : Cash and cash equivalents

Particulars	As at March 31, 2023	As at March 31, 2022
Cash on hand	4,701.05	5,378.53
Balances with banks and financial institutions		
– Balance with banks in current accounts*	17,511.53	73,467.80
– Deposits for original maturity of less than 3 months	3,558.05	29,888.35
– Balance with banks and financial institutions to the extent held as margin money deposits against borrowings and guarantees	–	391.80
Total	**25,770.63**	**109,126.48**

*Balance in current accounts includes balance of ₹ 2.15 lakhs (March 31, 2022 : ₹ 2.15 lakhs) which is earmarked for unpaid dividend.

Note 5 : Bank balances other than cash and cash equivalents

Particulars	As at March 31, 2023	As at March 31, 2022
Deposits for remaining maturity of more than 3 months and upto 12 months	4,264.01	4,128.44
Deposits with remaining maturity more than 12 months	935.46	–
Balance with banks and financial institutions to the extent held as margin money deposits against borrowings and guarantees	80,465.65	86,939.44
Total	**85,665.12**	**91,067.88**

The amount under lien as security against term loan and overdraft facility availed, assets securitised, first loss default guarantee are as follows (included above in note 4 and 5):-

Particulars	As at March 31, 2023	As at March 31, 2022
Term loans	18,823.68	33,468.09
Overdraft facilities	37,336.81	40,402.43
Securitisations	20,307.79	6,796.83
Derivatives	–	597.68
Bank guarantee against rights issue	–	64.63
Security against first loss default guarantee	3,994.81	5,999.13
Security against facilities	2.56	2.45
Total	**80,465.65**	**87,331.24**

Note 6 : Derivative financial instruments

Particulars	As at March 31, 2023		As at March 31, 2022	
	Notional amounts (₹)	Fair value (₹)	Notional amounts (₹)	Fair value (₹)
Currency and interest swap	41,518.44	2,231.64	31,161.35	1,192.75
	41,518.44	**2,231.64**	**31,161.35**	**1,192.75**
Included in above are derivative held for risk management purpose as follows:				
Undesignated derivatives	41,518.44	2,231.64	31,161.35	1,192.75
Total	**41,518.44**	**2,231.64**	**31,161.35**	**1,192.75**

The Parent Company enters into derivative contracts for risk management purposes. The table above represents the fair value of derivatives financial instruments recorded as assets together with the notional amounts. The notional amounts indicates the value of transaction outstanding at the year end and are not indicative of either the market risk or credit risk.

(All amounts in ₹ lakhs, unless otherwise stated)

The Parent Company is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are foreign currency risk and interest rate risk. The Parent Company's risk management strategy and how it is applied to manage risk are explained below:

Derivatives designated as hedging instruments

Foreign currency risk

The Parent Company is exposed to foreign currency risk arising from its fixed rate foreign currency borrowing amounting to US $ 9.4 million. Interest on the borrowing is payable at a fixed rate of 5.93% per annum. (on semi-annual basis starting from February 5, 2020) and the principal amount was repaid on August 5, 2022. The Parent Company economically hedged the foreign currency risk arising from the debt with a 'receive fixed pay fixed' cross-currency interest rate swap ('swap') on July 24, 2019. The notional amount of swap was ₹ 6,487.41 lakhs. The swap contract converts the cash outflows of the foreign currency fixed rate borrowing of US $ 9.4 million to cash outflows in ₹ with a notional amount of ₹ 6,487.41 lakhs and fixed interest of 11.18% per annum.

Off-setting

The Parent Company does not have derivative financial assets and financial liabilities which are subject to master netting arrangements. Master netting arrangements are those arrangements wherein in the case of insolvency, derivative financial assets and financial liabilities will be settled on a net basis.

Note 7 : Trade receivables (at amortised cost)

Particulars	As at March 31, 2023	As at March 31, 2022
Considered good - unsecured	540.05	285.63
	540.05	**285.63**
Less: Impairment loss allowance	(0.60)	(9.55)
Total	**539.45**	**276.08**

Trade Receivables ageing schedule

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables – considered good	361.14	8.74	2.97	1.27	0.19	374.31
(ii) Undisputed trade receivables – credit impaired	–	–	–	–	–	–
(iii) Disputed trade receivables – considered good	–	–	–	–	–	–
(iv) Disputed trade receivables – credit impaired	–	–	–	–	–	–
(v) Unbilled	–	–	–	–	–	165.74
As at March 31, 2023	**361.14**	**8.74**	**2.97**	**1.27**	**0.19**	**540.05**

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables – considered good	266.12	4.61	3.19	0.84	1.95	276.71
(ii) Undisputed trade receivables – credit impaired	–	1.99	2.67	4.26	–	8.92
(iii) Disputed trade receivables – considered good	–	–	–	–	–	–
(iv) Disputed trade receivables – credit impaired	–	–	–	–	–	–
(v) Unbilled	–	–	–	–	–	–
As at March 31, 2022	**266.12**	**6.60**	**5.86**	**5.10**	**1.95**	**285.63**

The Group does not have any receivables which are either credit impaired or where there is significant increase in credit risk other than those which are provided for.

(All amounts in ₹ lakhs, unless otherwise stated)

Note 8 : Loans

Particulars	As at March 31, 2023		As at March 31, 2022	
	At fair value through other comprehensive income	At amortised cost	At fair value through other comprehensive income	At amortised cost
Portfolio loans (also refer note 43)				
Secured	–	22,179.39	–	15,939.07
Unsecured*	381,675.56	195,804.28	421,364.40	99,597.23
Housing loans				
Secured	46,149.76	–	29,230.68	–
	427,825.32	**217,983.67**	**450,595.08**	**115,536.30**
Less: Impairment loss allowance	(10,500.96)	(2,422.36)	(33,092.20)	(2,196.91)
Sub-total	**417,324.36**	**215,561.31**	**417,502.88**	**113,339.39**
Total loans		**632,885.67**		**530,842.27**

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Secured by tangible assets (property, plant and equipment including land and building)	63,945.82	41,946.63
(ii) Secured by book debts, inventories, margin money and other working capital items	3,082.64	1,733.28
(iii) Unsecured	565,857.21	487,162.36
Total	**632,885.67**	**530,842.27**

Loans in India		
(i) Public sector	–	–
(ii) Others	632,885.67	530,842.27
Total	**632,885.67**	**530,842.27**

*Unsecured portfolio measured at amortised cost of ₹ 10,000.03 lakhs (balance as on June 10, 2022 i.e. cut off date) (March 31, 2022 : H 5,314.81 lakhs (balance as on February 28, 2022 i.e. cut off date)) sold to an asset reconstruction company at a value of ₹ 8,650.00 lakhs on June 29, 2022 (March 31, 2022 : ₹ 5,300.00 lakhs on March 28, 2022).

Loss on such sale is netted off from net gain as disclosed in Note 32. The balance outstanding as on March 31, 2023 is ₹ 13,130.86 lakhs (March 31, 2022 : ₹ 5,254.77 lakhs).

#There are no loans or advances repayable on demand or without specifying any term or period of repayment of the related parties.

(All amounts in ₹ lakhs, unless otherwise stated)

Note 9 : Investments (unquoted)

Particulars	As at March 31, 2023				As at March 31, 2022			
	Amortised cost	At fair value At fair value		Total	Amortised cost	At fair value		Total
		Through other comprehensive income	Through profit and loss			Through other comprehensive income	Through profit and loss	
Equity instruments								
50,000 (March 31, 2022 : 50,000) equity shares of face value of ₹ 10 each of Alpha Micro Finance Consultants Private Limited#	–	–	–	–	–	–	–	–
Preferential instruments								
21,845 (March 31, 2022 : 21,845) Compulsory Convertible Preference Shares of face value of ₹ 10 each of Jay Kay Financial Technologies Private Limited	–	–	111.19	111.19	–		110.00	110.00
Security Receipts								
4,50,500 (March 31, 2022 : 4,50,500) security receipts in Prudent Trust 67/22 (Trust floated by Prudent ARC Limited)	–	3,276.02	–	3,276.02	–	4,505.00	–	4,505.00
7,35,250 (March 31, 2022 : Nil) security receipts in Prudent Trust 70/22 (Trust floated by Prudent ARC Limited)	–	5,354.41	–	5,354.41	–	–	–	–
Less: Provision on SR		(2,694.04)	–	(2,694.04)				
Pass through certificates	127.81	–	–	127.81	181.87	–	–	181.87
Mutual funds								
Nil (March 31, 2022 : 294,091.70) units in Union Dynamic Bond Fund	–	–	–	–	–	–	59.24	59.24
Government securities								
500 (March 31, 2022 : 500), Government of India, Inscribed stock having face value ₹ 100 each	–	–	0.51	0.51	–	–	0.51	0.51
Total	**127.81**	**5,936.39**	**111.70**	**6,175.90**	**181.87**	**4,505.00**	**169.75**	**4,856.62**
(i) Investments in India	127.81	5,936.39	111.70	6,175.90	181.87	4,505.00	169.75	4,856.62
(ii) Investments outside India	–	–	–	–	–	–	–	–
Total	**127.81**	**5,936.39**	**111.70**	**6,175.90**	**181.87**	**4,505.00**	**169.75**	**4,856.62**

The Group has not entered in to any credit derivative to mitigate the credit risk (if any).

#Investment had been written off in the financial year 2018-19 and therefore shown at zero value.

(All amounts in ₹ lakhs, unless otherwise stated)

Note 10 : Other financial assets

Particulars	As at March 31, 2023	As at March 31, 2022
Security deposits	253.59	356.53
Staff advances	106.25	79.67
Insurance recoverable	401.97	490.61
Amount receivable against Mudra Interest Subvention Scheme	–	9.75
Other recoverable	1,215.76	1,363.87
Unbilled revenue	370.63	606.60
	2,348.20	**2,907.03**
Less: Impairment loss allowance	(35.40)	(4.14)
Total	**2,312.80**	**2,902.89**

Note 11 : Current tax assets (net)

Particulars	As at March 31, 2023	As at March 31, 2022
Advance income - tax (net)	4,327.55	526.10
Total	**4,327.55**	**526.10**

Note 12 : Deferred tax assets/(liabilities) (net)

Particulars	As at March 31, 2023	As at March 31, 2022
(A) Deferred tax assets		
Provision for employee benefits	223.43	247.53
Difference in written down value as per Companies Act and Income Tax Act	223.63	234.50
Unabsorbed business losses and depreciation	8,155.06	737.82
Impairment loss allowance	3,932.47	9,696.32
Minimum alternate tax credit entitlement	222.45	124.88
Liability against leases	296.12	131.05
Impairment loss allowance on security receipts	678.04	–
Loss on Security Receipts through other comprehensive income	687.49	–
Others	–	0.45
	14,418.69	**11,172.55**
(B) Deferred tax liabilities		
Financial Liabilities measured at amortised cost	(2.30)	8.35
Financial Assets measured at amortised cost	558.99	295.33
Fair valuation of loan assets through other comprehensive income	564.76	323.31
Special reserve u/s 36 (i) (viii) under Income Tax Act	35.94	29.68
Right of use assets	289.88	107.31
Deferment of excess interest spread	4,113.94	2,154.91
Total deferred tax liabilities	**5,561.21**	**2,918.89**
Net deferred tax assets/(liabilities)	**8,857.48**	**8,253.66**

(All amounts in ₹ lakhs, unless otherwise stated)

(i) Movement in deferred tax assets/(liabilities) (net)

Particulars	As at March 31, 2022	(Charged)/ credited to statement of profit and loss	(Charged)/ credited to other comprehensive income	As at March 31, 2023
Assets				
Provision for employee benefits	247.53	(36.46)	12.36	223.43
Difference in written down value as per Companies Act and Income Tax Act	234.50	(10.87)	–	223.63
Unabsorbed business losses and depreciation	737.82	7,417.24	–	8,155.06
Financial assets measured at amortised cost	–	–	–	–
Impairment loss allowance and first loss default guarantee	9,696.32	(5,763.85)	–	3,932.47
Minimum alternate tax credit entitlement	124.88	97.57	–	222.45
Liability against leases	131.05	165.07	–	296.12
Impairment loss allowance on security receipts	–	678.04	–	678.04
Loss on Security Receipts through other comprehensive income	–	–	687.49	687.49
Others	0.45	(0.45)	–	–
Liabilities				
Difference in written down value as per Companies Act and Income Tax Act	295.33	263.66	–	558.99
Financial liabilities measured at amortised cost	8.35	(10.65)	–	(2.30)
Fair valuation of financial instruments through profit and loss	–	–	–	–
Fair valuation of loan assets through other comprehensive income	323.31	230.15	11.30	564.76
Cash flow hedge reserve	–	6.92	(6.92)	–
Special reserve u/s 36 (i) (viii) under Income Tax Act	29.68	6.26	–	35.94
Right of use assets	107.31	182.57	–	289.88
Deferment of excess interest spread	2,154.91	1,959.03	–	4,113.94
Total	**8,253.66**	**(91.65)**	**695.47**	**8,857.48**

Particulars	As at March 31, 2021	(Charged)/ credited to statement of profit and loss	(Charged)/ credited to other comprehensive income	As at March 31, 2022
Assets				
Provision for employee benefits	379.17	(126.53)	(5.11)	247.53
Difference in written down value as per Companies Act and Income Tax Act	243.78	(9.28)	–	234.50
Unabsorbed business losses and depreciation	26.08	711.74	–	737.82
Financial assets measured at amortised cost	24.12	(24.12)	–	–
Impairment loss allowance and first loss default guarantee	8,153.72	1,542.60	–	9,696.32
Minimum alternate tax credit entitlement	130.49	(5.61)	–	124.88
Liability against leases	166.04	(34.98)	–	131.05
Others	22.85	(22.40)	–	0.45
Liabilities				
Difference in written down value as per Companies Act and Income Tax Act	–	295.33	–	295.33
Financial liabilities measured at amortised cost	23.40	(15.06)	–	8.35
Fair valuation of loan assets through other comprehensive income	1,309.21	(0.62)	(985.28)	323.31
Special reserve u/s 36 (i) (viii) under Income Tax Act	15.06	14.62	–	29.68
Right of use assets	146.35	(39.04)	–	107.31
Deferment of excess interest spread	2,433.45	(278.54)	–	2,154.91
Total	**5,218.78**	**2,054.73**	**980.17**	**8,253.66**

(All amounts in ₹ lakhs, unless otherwise stated)

Note 13 : Investment property

Particulars	As at March 31, 2023	As at March 31, 2022
A. Reconciliation of carrying amount (Cost or deemed cost)		
Opening balance	769.52	729.24
Additions during the year	–	40.28
Total	**769.52**	**769.52**
Accumulated depreciation		
Opening balance	71.26	35.51
Additions during the year	34.00	35.75
Total	**105.26**	**71.26**
Carrying amounts (Balance at date)	**664.26**	**698.26**
B. Amounts recognised in Statement of profit and loss for investment property		
Rental income	30.40	24.60
Less: Depreciation expense	34.00	35.75
Loss from investment property	**(3.60)**	**(11.15)**
C. Measurement of fair value		
Investment property	828.52	789.06
	828.52	**789.06**

The Parent Company's investment properties consist of two residential properties in India. The fair values of the properties are ₹ 828.52 Lakhs (March 31, 2022 : ₹ 789.06 Lakhs). These valuations are based on valuations performed by an independent valuer, the valuer is a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017. Valuation techniques used by the valuer is fair market value.

The Parent Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

(All amounts in ₹ lakhs, unless otherwise stated)

Note 14 : Property, plant and equipment

Gross carrying amount	Freehold land	Buildings	Right of use (Leased building)	Right of use (Vehicle)	Computer equipment	Electric equipement	Office equipment	Furniture & fixtures	Vehicles (refer note (ii))	Total	Capital work in progress
Balance as at April 1, 2021	**1,518.37**	**3,931.53**	**1,651.74**	**–**	**3,370.93**	**817.30**	**848.63**	**1,971.93**	**241.27**	**14,351.70**	**364.96**
Additions	–	566.80	137.59	–	211.57	–	68.53	59.50	100.17	1,144.16	219.73
Adjustment on account of disposals	–	–	(30.19)	–	(559.98)	–	(116.73)	(179.38)	(63.50)	(949.78)	(566.80)
Balance as at March 31, 2022	**1,518.37**	**4,498.33**	**1,759.14**	**–**	**3,022.52**	**817.30**	**800.43**	**1,852.05**	**277.94**	**14,546.08**	**17.89**
Additions	–	17.89	1,256.53	80.69	610.20	–	74.97	78.21	99.77	2,218.26	–
Adjustment on account of disposals	–	–	(718.99)	–	(291.14)	–	(27.55)	(25.70)	(65.61)	(1,128.99)	(17.89)
Balance as at March 31, 2023	**1,518.37**	**4,516.22**	**2,296.68**	**80.69**	**3,341.57**	**817.30**	**847.85**	**1,904.56**	**312.10**	**15,635.35**	**–**
Accumulated depreciation											
Balance as at April 1, 2021	**–**	**377.59**	**866.29**	**–**	**2,582.61**	**29.62**	**581.23**	**1,023.13**	**139.51**	**5,599.99**	**–**
Depreciation charge for the year	–	175.86	289.72	–	459.12	144.69	131.06	249.96	43.12	1,493.54	–
Adjustment on account of disposals	–	–	(16.53)	–	(517.08)	–	(108.84)	(144.69)	(42.49)	(829.63)	–
Balance as at March 31, 2022	**–**	**553.45**	**1,139.48**	**–**	**2,524.65**	**174.31**	**603.45**	**1,128.40**	**140.14**	**6,263.90**	**–**
Depreciation charge for the year	–	193.88	603.82	6.14	457.99	116.25	98.85	193.26	60.21	1,730.40	–
Adjustment on account of disposals	–	–	(673.03)	–	(269.28)	–	(24.96)	(20.34)	(53.22)	(1,040.83)	–
Balance as at March 31, 2023	**–**	**747.33**	**1,070.27**	**6.14**	**2,713.36**	**290.56**	**677.34**	**1,301.32**	**147.13**	**6,953.47**	**–**
Net carrying amount											
Balance as at March 31, 2022	**1,518.37**	**3,944.88**	**619.65**	**–**	**497.87**	**642.99**	**196.98**	**723.65**	**137.80**	**8,282.18**	**17.89**
Balance as at March 31, 2023	**1,518.37**	**3,768.89**	**1,226.40**	**74.55**	**628.21**	**526.74**	**170.51**	**603.24**	**164.97**	**8,681.88**	**–**

Notes:

(i) For disclosure of contractual commitments to be executed on capital account, refer note 51.

(ii) Vehicles are taken on finance lease; monthly instalments are paid as per agreed terms and conditions.

(iii) Property, plant and equipment have been mortgaged/pledged as security for borrowings, refer note 52.

(iv) Capital work in progress ageing schedule.

Capital Work in Progress	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress					
As at March 31, 2023	**–**	**–**	**–**	**–**	**–**
As at March 31, 2022	**17.89**	**–**	**–**	**–**	**17.89**

(All amounts in ₹ lakhs, unless otherwise stated)

Note 15 : Other intangible assets

Gross Block	Intangible assets	Total
Balance as at April 1, 2021	**1,291.23**	**1,291.23**
- Additions – being internally developed	–	–
- Additions – others	–	–
Balance as at March 31, 2022	**1,291.23**	**1,291.23**
Additions		
- Additions – being internally developed	–	–
- Additions – others	24.51	24.51
Disposals	(65.40)	(65.40)
Balance as at March 31, 2023	**1,250.34**	**1,250.34**
Accumulated amortisation		
Balance as at April 1, 2021	**980.32**	**980.32**
Amortisation charge for the year	80.51	80.51
Adjustment on account of disposal	–	–
Balance as at March 31, 2022	**1,060.83**	**1,060.83**
Amortisation charge for the year	74.97	74.97
Adjustment on account of disposal	(64.63)	(64.63)
Balance as at March 31, 2023	**1,071.17**	**1,071.17**
Net block		
Balance as at March 31, 2022	**230.40**	**230.40**
Balance as at March 31, 2023	**179.17**	**179.17**

Note 16 : Other non-financial assets

Particulars	As at March 31, 2023	As at March 31, 2022
Prepaid expenses	1,947.78	1,251.24
Balances with government authorities	120.20	212.88
Gratuity fund asset (refer note 47)	86.69	–
Acquired property (held for sale)*	110.63	24.46
Other assets	1,029.30	2,394.36
Total	**3,294.60**	**3,882.94**

*Acquired property (held for sale) by subsidiary Satin Housing Finance Limited.

Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is promoter, director or relative of promoter/ director or employee of promoter/director	Property held date	Reason for not being held in the name of the subsidiary
Land & Building	24.46	Shailo Devi W/o Vijay Singh	No	22/01/2022	Assest acquired under court order as per SARFAESI Act
Land & Building	6.39	Subhash Dagar	No	28/02/2023	Assest acquired under court order as per SARFAESI Act
Land & Building	17.94	Sadhna Sharma	No	28/02/2023	Assest acquired under court order as per SARFAESI Act
Land & Building	20.37	Kiran W/O Mukesh Chauhan	No	31/03/2023	Assest acquired under court order as per SARFAESI Act
Land & Building	17.26	Purnima Behra W/O Suraj Behra	No	31/03/2023	Assest acquired under court order as per SARFAESI Act
Land & Building	18.93	Poonam W/O Shrichand	No	31/03/2023	Assest acquired under court order as per SARFAESI Act
Land & Building	3.54	Kiran W/O Mukesh Chauhan	No	31/03/2023	Assest acquired under court order as per SARFAESI Act
Land & Building	1.74	Poonam W/O Shrichand	No	31/03/2023	Assest acquired under court order as per SARFAESI Act
Total	**110.63**				

(All amounts in ₹ lakhs, unless otherwise stated)

Note 17 : Trade payables

Particulars	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro enterprises and small enterprises	10.42	10.42
Total outstanding dues of creditors other than micro enterprises and small enterprises	497.45	1,268.06
Total	**507.87**	**1,278.48**

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	–	10.42	–	–	–	10.42
(ii) Others	198.23	291.28	5.47	1.94	0.54	497.45
(iii) Disputed dues – MSME	–	–	–	–	–	–
(iv)Disputed dues - Others	–	–	–	–	–	–
As at March 31, 2023	**198.23**	**301.70**	**5.47**	**1.94**	**0.54**	**507.87**

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	–	10.42	–	–	–	10.42
(ii) Others	1049.81	188.54	20.92	8.79	–	1,268.06
(iii) Disputed dues – MSME	–	–	–	–	–	
(iv)Disputed dues - Others	–	–	–	–	–	
As at March 31, 2022	**1,049.81**	**198.96**	**20.92**	**8.79**	**–**	**1,278.48**

Note 18 : Other payables

Particulars	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro enterprises and small enterprises	23.87	172.02
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,527.78	1,520.19
Total	**1,551.65**	**1,692.21**

Note 19 : Debt securities (at amortised cost)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-convertible debentures	109,643.58	119,241.39
Total	**109,643.58**	**119,241.39**
Debt securities in India	109,643.58	119,241.39
Debt securities outside India	–	–
Total	**109,643.58**	**119,241.39**

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Terms of repayment	As at March 31, 2023	As at March 31, 2022
(A) Non-convertible debentures (secured)			
1 Nil (March 31, 2022: 1500) @Nil (Previous year: 10.30%), Secured, Partially Guaranteed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Non-Convertible Debentures of face value of ₹ Nil (March 31, 2022: ₹ 2,50,000 each). The date of allotment is December 31, 2020. (Secured by way of hypothecation of book debt which shall be maintained at 110% of entire redemption amount of the debentures outstanding)	Redeemable ₹ 3,750 Lakhs on October 02, 2021, ₹ 3,750 Lakhs on December 31, 2021, ₹ 3,750 Lakhs March 31, 2022 and ₹ 3,750 Lakhs on June 30, 2022 and frequency of Interest payment is quarterly.	–	3,737.51
2 Nil (March 31, 2022: 250) @Nil (Previous year: 10.25%), Secured, Senior, Rated, Listed, Fully paid-up, Redeemable, Taxable, Transferable, Non-Convertible Debentures of face value of ₹ Nil (March 31, 2022: ₹ 10,00,000 each). The date of allotment is October 13, 2020. (Secured by way of hypothecation of book debt which shall be maintained at 110% of principal amount of the debentures outstanding.)	Redeemable at par on April 13, 2022 and frequency of Interest payment is half yearly.	–	2,499.89
3 9,750 (March 31, 2022: 9,750) @10.50% (Previous year: 10.50%), Secured, Not Guaranteed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Non-Convertible Debentures of face value of ₹ 5 each (March 31, 2022: ₹ 50,000 each) The date of allotment is December 16, 2020. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding)	Redeemable at par ₹ 4,874.51 Lakhs (99.99%) on May 6, 2022 and rest ₹ 0.49 Lakhs (.01%) on May 6, 2024 and frequency of Interest payment is half yearly.	0.49	4,841.08
4 Nil (March 31, 2022: 250) @Nil (Previous year: 10.40%), Secured, Partially Guaranteed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Non-Convertible Debentures of face value of ₹ Nil (March 31, 2022: ₹ 10,00,000 each). The date of allotment is November 9, 2020. (Secured by way of hypothecation of book debt which shall be maintained at 110% of principal amount of the debentures outstanding.)	Redeemable at par on May 9, 2022 and frequency of Interest payment is annually.	–	2,498.80
5 Nil (March 31, 2022: 500) @Nil (Previous year: 10.20%), Secured, Guaranteed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Non-Convertible Debentures of face value of ₹ Nil (March 31, 2022: ₹ 10,00,000 each). The date of allotment is December 10, 2020. (Secured by way of hypothecation of book debt which shall be maintained at 125% of principal amount of the debentures outstanding)	Redeemable at par on June 10, 2022 and frequency of Interest payment is annually.	–	4,997.81
6 Nil (March 31, 2022: 650), @Nil (Previous year : 12.06%), Secured, Not Guaranteed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Non-Convertible Debentures of face value of ₹ Nil (March 31, 2022: ₹ 10,00,000 each). The date of allotment is October 3, 2017. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding)	Redeemable on October 3, 2022 and frequency of Interest payment is half yearly.	–	6,499.11

(All amounts in ₹ lakhs, unless otherwise stated)

	Particulars	Terms of repayment	As at March 31, 2023	As at March 31, 2022
7	600 (March 31, 2022: 600) @11.50% (Previous year: 11.50%), Secured, Not Guaranteed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Non-Convertible Debentures of face value of ₹ 10,00,000 each (March 31, 2022: ₹ 10,00,000 each). The date of allotment is October 23, 2020. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding with exclusivity on security interest)	Redeemable ₹ 1,500 Lakhs (25%) on April 24, 2023, ₹ 1,500 Lakhs (25%) on October 24, 2023 rest ₹ 3,000 Lakhs (50%) on 23 April, 2024 and frequency of Interest payment is half yearly.	5,998.72	5,997.46
8	50 (March 31, 2022: 50), @15.75% (Previous year : 15.50%), rated, unlisted, fully paid up, senior, secured, redeemable, taxable, non-convertible debentures of face value of ₹ 1,0,00,000 each, The date of allotment is June, 29, 2020. (Secured by way of hypothecation of first ranking, exclusive and continuing charge on book debt which shall be maintained at 110% of principal including interest accrued amount of the debentures outstanding.)	Redeemable at par on June 29, 2023	499.50	497.64
9	18,750 (March 31, 2022: 18,750) @11.10% (Previous year: 11.10%), Secured, Not Guaranteed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Non-Convertible Debentures of face value of ₹ 1,00,000 each (March 31, 2022: ₹ 1,00,000 each). The date of allotment is December 22, 2020. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding)	Redeemable ₹ 18,748.13 Lakhs (99.99%) on June 05, 2023 and rest ₹ 1.87 Lakhs (.01%) on June 05, 2025 and frequency of Interest payment is half yearly.	18,640.21	18,598.95
10	250 (March 31, 2022: 250) @11.25% (Previous year: 11.25%), Secured, Not Guaranteed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Non-Convertible Debentures of face value of ₹ 10,00,000 each (March 31, 2022: ₹ 10,00,000 each). The date of allotment is June 30, 2020. (Secured by way of hypothecation of book debt which shall be maintained at 110% of principal amount of the debentures outstanding)	Redeemable at par on June 30, 2023 and frequency of Interest payment is annually.	2,498.79	2,492.92
11	200 (March 31, 2022: 200), @12.75% (Previous year : 12.75%), Secured, Rated, Listed, Redeemable, Transferable, Non-Convertible Debentures of face value of ₹ 25,00,000 each (March 31, 2022: ₹ 25,00,000 each). The date of allotment is July 15, 2014 and roll over date is July 15, 2020. (Secured by way of hypothecation of book debts which shall be maintained at 110% of principal amount of the debentures outstanding)	Redeemable at par on June 30, 2023 (rolled over on July 15, 2020) and frequency of Interest payment is half yearly.	4,999.78	4,998.88
12	250 (March 31, 2022: 250) @11.00% (Previous year: 11.00%), Secured, Not Guaranteed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Non-Convertible Debentures of face value of ₹ 10,00,000 each (March 31, 2022: ₹ 10,00,000 each). The date of allotment is July 28, 2020. (Secured by way of hypothecation of book debt which shall be maintained at 110% of principal amount of the debentures outstanding and interest accrued)	Redeemable at par on July 28, 2023 and frequency of Interest payment is quarterly.	2,495.86	2,481.33

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

	Particulars	Terms of repayment	As at March 31, 2023	As at March 31, 2022
13	250 (March 31, 2022: 250) @10.95% (Previous year: 10.95%), Secured, Not Guaranteed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Non-Convertible Debentures of face value of ₹ 3,33,333.34 each (March 31, 2022: ₹ 6,66,667 each). The date of allotment is July 31, 2020. (Secured by way of hypothecation of book debt which shall be maintained at 110% of principal amount of the debentures outstanding)	Redeemable at par on July 31, 2023 and frequency of Interest payment is half yearly.	830.73	1,655.20
14	970 (March 31, 2022: 970), @11.40% (Previous year : 11.40%), Secured, Rated, Listed, Redeemable, Non-Convertible Debentures of face value of ₹ 10,00,000 each (March 31, 2022: ₹ 10,00,000 each). The date of allotment is July 31, 2018 and roll over date is July 27, 2021. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding)	Redeemable on July 31, 2023 and frequency of Interest payment is half yearly.	9,699.54	9,697.78
15	1,200 (March 31, 2022: 1,200), @11.45% (Previous year: 11.45%), Secured, Not Guaranteed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Non-Convertible Debentures of face value of ₹ 2,50,000 each (March 31, 2022: ₹ 7,50,000 each). The date of allotment is September 27, 2019. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding)	Redeemable at par on September 27, 2023 and frequency of Interest payment is half yearly.	2,999.18	8,997.29
16	2,130 (March 31, 2022: 2,130), @11.095% (Previous year : 11.095%), Secured, Not Guarnateed, Senior, Taxable, Non Cumulative, Rated, Redeemable, Non-Convertible Debentures of face value of ₹ 2,85,714.29 each (March 31, 2022: ₹ 5,71,428.58 each). The date of allotment is December 14, 2018. (Secured by way of hypothecation of book debts which shall be maintained at 100% of principal amount and coupon of the debentures outstanding)	Redeemable on December 14, 2023 and frequency of Interest payment is half yearly.	6,043.57	12,062.97
17	680 (March 31, 2022: 680), @12.00% (Previous year : 11.70%), Secured, Rated, Listed, Redeemable, Non-Convertible Debentures of face value of ₹ 10,00,000 each (March 31, 2022: ₹ 10,00,000 each). The date of allotment is June 15, 2016 and roll over date is June 2, 2022. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding)	Redeemable at par on June 15, 2025 (subject to put option, Exercise Date is June 15, 2024) and frequency of Interest payment is half yearly.	6,800.00	6,799.96
18	19,250 (March 31, 2022: Nil) @11.15% (Previous year: Nil), Secured, Rated, Unlisted, Redeemable, Transferable, Non-Convertible Debentures of face value of ₹ 50,000 each (March 31, 2022: Nil). The date of allotment is June 24, 2022. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding)	Redeemable ₹ 9,624.03 Lakhs (99.99%) on June 24, 2025 and rest ₹ 0.96 Lakhs (.01%) on June 24, 2027 and frequency of Interest payment is half yearly.	9,496.47	–
19	2,060 (March 31, 2022: Nil) @11.6880% (Previous year: Nil), Unlisted, Rated, Secured, Redeemable, Non-Convertible Debentures of face value of ₹ 1,00,000 each (March 31, 2022: Nil). The date of allotment is February 24, 2023. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding)	Redeemable at par on February 24, 2026 and frequency of Interest payment is Quarterly.	2,037.57	–

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Terms of repayment	As at March 31, 2023	As at March 31, 2022
20 750 (March 31, 2022: 750), @11.7702% (Previous year: 11.7702%), Secured, Rated, Listed, Redeemable, Transferable, Non-Convertible Debentures of face value of ₹ 10,00,000 each (March 31, 2022: ₹ 10,00,000 each). The date of allotment is March 7, 2022. (Secured by way of hypothecation of book debt which shall be maintained at 105% of principal amount of the debentures outstanding and interest accrued)	Redeemable at par on March 6, 2026 and frequency of Interest payment is half yearly.	7,475.60	7,467.13
21 300 (March 31, 2022: 300), @11.7702% (Previous year: 11.7702%), Secured, Rated, Listed, Redeemable, Transferable, Non-Convertible Debentures of face value of ₹ 10,00,000 each (March 31, 2022: ₹ 10,00,000 each). The date of allotment is March 30, 2022. (Secured by way of hypothecation of book debt which shall be maintained at 105% of principal amount of the debentures outstanding and interest accrued)	Redeemable at par on March 30, 2026 and frequency of Interest payment is half yearly.	2,997.53	2,996.69
22 373 (March 31, 2022: 373), @11.5000% (Previous year: 11.5000%), Secured, Rated, Listed, Redeemable, Transferable, Non-Convertible Debentures of face value of ₹ 10,00,000 each ((March 31, 2022: ₹ 10,00,000 each). The date of allotment is September 2, 2021. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding and interest accrued)	Redeemable at par on September 2, 2026 (Subject to Call Put Option is exercised on August 30, 2024 and frequency of Interest payment is half yearly.	3,727.82	3,726.25
23 2,500 (March 31, 2022: Nil), @12.3000% (Previous year: Nil), Secured, Rated, Listed, Redeemable, Transferable, Non-Convertible Debentures of face value of ₹ 1,00,000 each (March 31, 2022: ₹ Nil). The date of allotment is January 16, 2023. (Secured by way of hypothecation of book debt which shall be maintained at 105% of principal amount of the debentures outstanding and interest accrued)	Redeemable at par on January 16, 2027 and frequency of Interest payment is half yearly.	2,496.89	–
24 7,840 (March 31, 2022: Nil) @11.7160% (Previous year: Nil) Previous year, Unlisted, Rated, Secured, Redeemable, Non-Convertible Debentures of face value of ₹ 1,00,000 each (March 31, 2022: Nil). The date of allotment is March 13, 2023. (Secured by way of hypothecation of book debt which shall be maintained at 100% of principal amount of the debentures outstanding)	Redeemable at par on March 12, 2027 and frequency of Interest payment is Quarterly.	7,756.64	–
25 650 (March 31, 2022: Nil), @12.1500% (Previous year: Nil), Secured, Rated, Listed, Redeemable, Transferable, Non-Convertible Debentures of face value of ₹ 10,00,000 each (March 31, 2022: ₹ Nil). The date of allotment is December 12, 2022. (Secured by way of hypothecation of book debt which shall be maintained at 105% of principal amount of the debentures outstanding and interest accrued)	Redeemable at par on December 12, 2027 (subject to call put option is exercised on December 12, 2025) and frequency of Interest payment is half yearly.	6,451.38	–
Total (A)		**103,946.27**	**113,544.65**

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Terms of repayment	As at March 31, 2023	As at March 31, 2022
(B) Non convertible debentures (unsecured)			
1 570 (March 31, 2022: 570), @11.50%, (Previous year: 11.50%) Unsecured, Senior, Rated, Unlisted, Redeemable,Transferable, Non Convertible Debentures of face value of ₹ 10,00,000 each (March 31, 2022: ₹ 10,00,000 each). The date of allotment is February 28, 2022.	Redeemable at par on May 9, 2022 and frequency of Interest payment is annually.	5,697.31	5,696.74
Total (B)		**5,697.31**	**5,696.74**
Total (A+B)		**109,643.58**	**119,241.39**

Note 20 : Borrowings (other than debt securities) (at amortised cost)

Particulars	As at March 31, 2023	As at March 31, 2022
Term loans		
From banks		
Secured*	185,152.59	208,930.66
From other parties		
Secured#	102,332.63	95,744.85
Unsecured	–	19.65
Overdraft facility against term deposits		
From banks		
Secured	–	19,418.55
Unsecured	–	0.17
External commercial borrowings		
Secured	21,285.26	12,219.06
Unsecured	19,613.23	18,282.83
Commercial paper (unsecured)	–	2,441.29
Liability against securitised assets (secured)	114,564.33	50,294.24
Liability against leased assets (unsecured)	1,410.22	728.66
Total	**444,358.26**	**408,079.96**
Borrowings in India	403,459.77	377,578.07
Borrowings outside India	40,898.49	30,501.89
Total	**444,358.26**	**408,079.96**

*Includes amount guaranteed by directors in their personal capacity of ₹ 83,364.45 (March 31, 2022 : ₹ 1,00,972.77)

#Includes amount guaranteed by directors in their personal capacity of ₹ 54,652.48 (March 31, 2022 : ₹ 45,205.67)

Note 21 : Sub-ordinated liabilities (at amortised cost)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-convertible debentures (refer note A)	14,622.90	21,200.60
Term loans from banks	22,500.00	25,500.00
External commercial borrowings	–	329.93
Total	**37,122.90**	**47,030.53**
Sub-ordinated liabilities in India	37,122.90	46,700.60
Sub-ordinated liabilities outside India	–	329.93
Total	**37,122.90**	**47,030.53**

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Terms of repayment	As at March 31, 2023	As at March 31, 2022
(A) Non-convertible debentures (unsecured)			
1 Nil (March 31, 2022: 250), @Nil (Previous year: 15.50%), Unsecured, Rated, Subordinated, Redeemable, Non-Convertible Debentures of face value of ₹ Nil (March 31, 2022:₹10,00,000 each). The date of allotment is December 30, 2015.	Redeemable on April 15, 2022 and frequency of Interest payment is quarterly.	–	2,499.98
2 Nil (March 31, 2022: 100), @Nil (Previous year: 15.50%), Unsecured, Rated, Unlisted, Redeemable, Subordinated, Non-Convertible Debentures of face value of ₹ Nil (March 31, 2022: ₹ 10,00,000 each). The date of allotment is June 28, 2016.	Redeemable on September 28, 2022 and frequency of Interest payment is monthly.	–	998.69
3 Nil (March 31, 2022: 100), @Nil (Previous year: 15.00%), Unsecured, Rated, Unlisted, Redeemable, Subordinated, Non-Convertible Debentures of face value of ₹ Nil (March 31, 2022:₹10,00,000 each). The date of allotment is June 29, 2016.	Redeemable on March 31, 2023 and frequency of Interest payment is monthly.	–	1,070.25
4 350 (March 31, 2022: 350), @13.85% (Previous year: 13.85%), Unsecured, Unrated, Unlisted, Redeemable, Subordinated, Non-Convertible Debentures of face value of ₹ 10,00,000 each (March 31, 2022: ₹ 10,00,000 each). The date of allotment is March 29, 2017.	Redeemable on April 30, 2023 and frequency of Interest payment is quarterly.	3,499.79	3,498.37
5 100 (March 31, 2022: 100), @15.00% (Previous year: 15.00%), Unsecured, Rated, Unlisted, Redeemable, Subordinated, Non-Convertible Debentures of face value of ₹ 38,795.83 each (March 31, 2022:₹10,00,000 each). The date of allotment is June 29, 2016.	Redeemable on June 30, 2023 and frequency of Interest payment is monthly.	36.25	1,070.25
6 100 (March 31, 2022: 100), @15.00% (Previous year: 15.00%), Unsecured, Rated, Unlisted, Redeemable, Subordinated, Non-Convertible Debentures of face value of ₹ 76,193.08 each (March 31, 2022: ₹ 10,00,000 each). The date of allotment is June 29, 2016.	Redeemable on September 30, 2023 and frequency of Interest payment is monthly.	73.65	1,070.25
7 100 (March 31, 2022: 100), @15.00% (Previous year: 15.00%), Unsecured, Rated, Unlisted, Redeemable, Subordinated, Non-Convertible Debentures of face value of ₹ 10,76,193.08 each (March 31, 2022: ₹ 10,00,000 each). The date of allotment is June 29, 2016.	Redeemable on December 31, 2023 and frequency of Interest payment is quarterly.	1,073.65	1,070.25
8 20 (March 31, 2022: 20) @14% Unsecured, Rated, Listed, Redeemable, Subordinate, Taxable, Transferable, Non-Convertible debentures of face value of ₹ 1,00,00,000 each, The date of allotment is December 17, 2019.	Redeemable in four equal tranches starting from June 30, 2025 to December 31, 2026.	1,996.65	1,995.80
9 300 (March 31, 2022: 300), @15.50% (Previous year: 15.50%), Unsecured, Rated, Listed, Redeemable, Subordinated, Taxable, Transferable, Non-Convertible Debentures of face value of ₹ 10,00,000 each (March 31, 2022:₹10,00,000 each). The date of allotment is December 17, 2019.	Redeemable on December 31, 2026 and frequency of Interest payment is half yearly.	2,991.48	2,989.12
10 10,010 (March 31, 2022: 10,010), @ 13.14 % (Previous year: 13.14%), Unsecured, Rated, Unlisted, Redeemable, Subordinated, Taxable, Transferable, Non-Convertible Debentures of face value of ₹ 50,000 each (March 31, 2022: ₹ 50,000 each)., The date of allotment is March 24, 2020.	Redeemable on April 24, 2027 and frequency of Interest payment is half yearly.	4,951.43	4,937.64
Total		**14,622.90**	**21,200.60**

(All amounts in ₹ lakhs, unless otherwise stated)

Reconciliation of liabilities arising from financing activities

The changes in the Group's liabilities arising from financing activities can be classified as follows:

Particulars	Debt securities	Borrowings (other than debt)	Subordinated liabilities	Liability against leased assets	Total
April 1, 2021	171,003.09	393,824.31	52,407.85	877.73	618,112.98
Cash flows:					
– Repayment	(81,783.71)	(316,735.27)	(5,370.18)	(354.99)	(404,244.15)
– Proceeds from overdraft facility	–	10,378.58	–	–	10,378.58
– Proceeds other than overdraft facility	29,630.00	319,571.12	–	–	349,201.12
	(52,153.71)	**13,214.43**	**(5,370.18)**	**(354.99)**	**(44,664.45)**
Non-cash:					
– Addition during the year	–	–	–	137.60	137.60
– Foreign exchange	–	418.11	(50.19)	–	367.92
– Amortisation of upfront fees and others	436.69	1,452.09	43.05	–	1,931.83
– Deferment of upfront processing fee	(44.68)	(1,557.64)	–	–	(1,602.32)
– Others	–	–	–	68.32	68.32
March 31, 2022	**119,241.39**	**407,351.30**	**47,030.53**	**728.66**	**574,351.88**
Cash flows:					
– Repayment	(38,043.56)	(371,545.96)	(9,890.93)	(730.18)	(420,210.63)
– Proceeds from overdraft facility	–	(19,418.35)	–	–	(19,418.35)
– Proceeds other than overdraft facility	28,525.00	426,524.32	–	73.83	455,123.15
	(9,518.56)	**35,560.01**	**(9,890.93)**	**(656.35)**	**15,494.17**
Non-cash:					
– Addition during the year	–	–	–	1,256.53	1,256.53
– Foreign exchange	–	593.54	(53.08)	–	540.46
– Amortisation of upfront fees and others	236.43	1,272.36	36.38	–	1,545.17
– Deferment of upfront processing fee	(315.68)	(1,838.73)	–	–	(2,154.41)
– Others	–	9.56	–	81.38	90.94
March 31, 2023	**109,643.58**	**442,948.04**	**37,122.90**	**1,410.22**	**591,124.74**

Notes:

i) The Borrowings together with debt securities and subordinate liabilities referred in notes 19, 20 and 21 are secured by way hypothecation of portfolio loans arising out of its business operations, cash collateral in the form of fixed deposits.

ii) Vehicles and building are hypothecated for respective borrowings availed for purchase of property plant and equipment.

Terms of repayment of debt securities, other borrowings and subordinated liabilities as on March 31, 2023 are as follows:#

Repayment	Interest rate range	Due within 1 year		Due within 1 to 2 years		Due within 2 to 3 years		Due within 3 to 4 years		Due after 4 years		Total Amount
		No. of instalments	Amount	No. of instalments	Amount	No. of instalments	Amount	No. of instalments	Amount	No. of instalments	Amount	
Monthly	Below 9.00%	233	6,305.44	183	1,702.89	124	30.78	99	26.93	15	3.62	8,069.65
	9% to 12%	4,546	155,148.67	2,235	53,041.16	901	4,478.94	244	2,085.37	123	922.65	215,676.79
	12.01% to 15%	734	29,521.94	540	22,240.79	235	4,924.91	100	1,912.76	26	771.42	59,371.82
	Above 15%	101	1,575.41	58	1,253.04	40	947.83	–	–	–	–	3,776.28
Quarterly	Below 9.00%	19	1,107.28	23	1,394.42	16	807.08	16	804.06	49	1,919.54	6,032.38
	9% to 12%	62	52,575.53	38	28,382.59	14	10,654.01	4	2,466.51	11	6,782.89	100,861.53
	12.01% to 15%	27	12,229.17	11	6,583.33	2	500.00	–	–	–	–	19,312.50
	Above 15%	–	–	–	–	–	–	–	–	–	–	–
Semi-annually	Below 9.00%	2	2,671.50	2	2,671.50	–	–	–	–	–	–	5,343.00
	9% to 12%	8	8,685.71	3	1,000.00	–	–	–	–	–	–	9,685.71
	12.01% to 15%	–	–	–	–	–	–	–	–	–	–	–
	Above 15%	–	–	–	–	2	1,500.00	2	1,500.00	–	–	3,000.00
Annually	9% to 12%	1	833.33	–	–	–	–	–	–	–	–	833.33
Bullet	Below 9.00%	1	2,500.00	1	4,110.85	–	–	–	–	–	–	6,610.85
	9% to 12%	8	19,600.00	–	–	–	–	2	12,332.54	–	–	31,932.54
	12.01% to 15%	13	25,091.18	2	10,530.00	4	35,959.52	2	10,340.00	–	–	81,920.70
	Above 15%	2	3,000.00	–	–	–	–	–	–	–	–	3,000.00
On demand	9% to 12%	2	18,748.13	2	0.49	4	9,625.91	–	–	2	0.96	28,375.49
	12.01% to 15%	3	6,000.00	2	4,875.00	5	13,629.50	–	–	2	0.50	24,505.00
Total		**5,762**	**345,593.28**	**3,100**	**137,786.05**	**1,347**	**83,058.48**	**469**	**31,468.16**	**228**	**10,401.58**	**608,307.56**

(All amounts in ₹ lakhs, unless otherwise stated)

Terms of repayment of debt securities, other borrowings and subordinated liabilities as on March 31, 2022 are as follows:#

Repayment	Interest rate range	Due within 1 year		Due within 1 to 2 years		Due within 2 to 3 years		Due within 3 to 4 years		Due after 4 years		Total Amount
		No. of instalments	Amount	No. of instalments	Amount	No. of instalments	Amount	No. of instalments	Amount	No. of instalments	Amount	
Monthly	Below 9.00%	224	19,753.98	169	8,794.40	97	1,684.16	48	12.71	24	6.89	30,252.14
	9% to 12%	384	92,929.04	260	30,133.62	173	14,563.83	103	2,045.97	78	1,441.50	141,113.96
	12.01% to 15%	521	8,746.01	191	1,935.51	34	466.03	2	27.44	–	–	11,174.99
Quarterly	Below 9.00%	189	8,882.29	151	3,508.34	90	1,911.62	33	1,197.76	16	1,045.43	16,545.44
	9% to 12%	62	49,112.62	44	34,226.71	12	6,623.11	2	62.50	–	–	90,024.94
	12.01% to 15%	13	2,464.83	6	1,187.50	–	–	–	–	–	–	3,652.33
Semi-annually	Below 9.00%	2	2,671.50	2	2,671.50	2	2,671.50	–	–	–	–	8,014.50
	9% to 12%	17	20,435.71	8	8,685.71	3	1,000.00	–	–	–	–	30,121.42
	12.01% to 15%	–	–	–	–	–	–	–	–	–	–	
	Above 15%	–	–	–	–	–	–	2	1,500.00	2	1,500.00	3,000.00
Annually	9% to 12%	1	833.33	1	833.33	–	–	–	–	–	–	1,666.66
Bullet	Below 9.00%	4	15,000.00	–	–	–	–	–	–	–	–	15,000.00
	9% to 12%	15	49,540.16	2	5,000.00	1	3,776.00	–	–	2	11,327.99	69,644.15
	12.01% to 15%	3	17,604.77	5	26,400.00	1	3,730.00	1	20,000.00	–	–	67,734.77
	Above 15%	3	6,500.00	–	–	–	–	–	–	–	–	6,500.00
Bullet	–	–	–	1	500.00	–	–	–	–	–	–	500.00
On demand	Variable rates	6	40,293.06	5	24,748.13	4	4,875.49	7	13,631.37	2	0.50	83,548.55
Total		**1,444**	**334,767.30**	**845**	**148,624.75**	**417**	**41,301.74**	**198**	**38,477.75**	**124**	**15,322.31**	**578,493.85**

Note 22 : Other financial liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Interest accrued on debt securities	2,990.37	3,496.31
Interest accrued on borrowings other than debt securities	1,734.94	1,749.90
Interest accrued on subordinated liabilities	489.49	530.26
Payable towards assignment and securitisation transactions	18,178.63	17,800.72
Margin money received from customers	–	167.44
First loss default guarantee	2,462.84	2,998.32
Payable to employees	1,123.33	784.15
Security deposit received	36.75	29.68
Insurance payables	47.33	436.24
Unclaimed amount of preference shares	8.26	8.26
Total	**27,071.94**	**28,001.28**

Note 23 : Provisions

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for gratuity (refer note 47)	59.87	33.94
Provision for compensation absences (refer note 47)	874.35	945.61
Provision for compassionate	0.13	2.78
Total	**934.35**	**982.33**

Note 24 : Other non-financial liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Interest received in advance	217.47	134.66
Deferred income	–	3.61
Statutory dues payables	736.35	897.27
Total	**953.82**	**1,035.54**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Note 25 : Equity share capital

	Particulars	As at March 31, 2023		As at March 31, 2022	
		Number	Amount	Number	Amount
A	**Authorised**				
	Equity share capital of face value of ₹ 10 each				
	At the beginning of the year	105,000,000	10,500.00	95,000,000	9,500.00
	Additions during the year	–	–	10,000,000	1,000.00
		105,000,000	**10,500.00**	**105,000,000**	**10,500.00**
B	**Issued and subscribed**				
	Equity share capital of face value of ₹ 10 each				
	At the beginning of the year	75,143,893	7,514.39	72,066,977	7,206.70
	Additions during the year	10,205,128	1,020.51	3,076,916	307.69
		85,349,021	**8,534.90**	**75,143,893**	**7,514.39**
C	**Issued and Paid-up**				
	Fully paid-up				
	Equity share capital of face value of ₹ 10 each				
	At the beginning of the year	75,018,997	7,501.90	52,038,194	5,203.82
	Additions during the year	10,205,128	1,020.51	22,980,803	2,298.08
		85,224,125	**8,522.41**	**75,018,997**	**7,501.90**
	Less: Amount recoverable from Satin Employees Welfare Trust	(482,946)	(48.29)	(482,946)	(48.29)
	(Equity shares of ₹ 10/- each allotted to the Satin Employees Welfare Trust)	84,741,179	8,474.12	74,536,051	7,453.61
	Add: Forfeited shares (amount originally paid on 1,24,896 equity shares (March 31, 2022: 1,24,896 equity shares)	–	5.51	–	5.51
		84,741,179	**8,479.63**	**74,536,051**	**7,459.12**
D	**Reconciliation of number of equity shares outstanding at the beginning and at the end of the year**				
	Balance at the beginning of the year	75,018,997	7,501.90	72,020,477	6,702.49
	Add: Call money received during the year	–	–	–	494.88
	Add: Issued during the year	10,205,128	1,020.51	3,076,916	307.69
	Less: Forfeited shares	–	–	78,396	3.16
		85,224,125	**8,522.41**	**75,018,997**	**7,501.90**
E	**Reconciliation of number of equity shares issued to Satin Employees Welfare Trust outstanding at the beginning and at the end of the year**				
	Balance at the beginning of the year	482,946	48.29	482,946	44.94
	Add: Call money received during the year	–	–	–	3.35
		482,946	**48.29**	**482,946**	**48.29**

F During the current financial year, the Company has allotted 1,02,05,128 equity shares of face value of ₹ 10/- each to Trishashna Holdings & Investments Private Ltd' (THIPL) (entity belonging to promoter group) and Florintree Ventures LLP (entity belonging to non-promoter group) pursuant to conversion of Fully Convertible Warrants of ₹ 10 each at issue price of ₹ 81.25 per warrant including premium of ₹ 71.25 per warrant.

G Rights, preferences and restrictions

The Parent Company has only one class of equity shares having par face value of ₹ 10 per share. Each equity shareholder is eligible for one vote per fully paid share held. Any dividend, if proposed by the Board of Directors, is subject to the approval of shareholders. Dividend declared and paid would be in Indian rupees. In the event of liquidation of the Parent Company, the holders of equity share will be entitled to receive remaining assets of the Parent Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders or in case of partly paid shares the paid-up amount.

(All amounts in ₹ lakhs, unless otherwise stated)

H Details of shareholder holding more than 5% share capital:

Name of shareholder	As at March 31, 2023		As at March 31, 2022	
	Number	%	Number	%
Trishashna Holdings & Investments Private Limited (THIPL)	31,579,692	37.05%	25,477,128	33.96%
Nordic Microfinance Initiative Fund III KS	4,663,136	5.47%	4,663,136	6.22%

I Aggregate number of shares issued for consideration other than cash during the last five years

i) On May 30, 2018, the Company had allotted 1,230,098 equity shares of ₹ 10 each on conversion of 1,230,098, 0.01% Optionally Convertible, Redeemable Preference Shares ("OCRPS") of face value of ₹ 10 each fully paid-up to Capital First Limited (entities belonging to non-promoter group).

ii) On June 27, 2019, the Company has allotted 1,343,283 equity shares of ₹ 10 each on conversion of 1,343,283, Optionally Convertible, Cumulative, Redeemable Preference Shares ("OCCRPS") of face value of ₹ 10 each fully paid-up to IndusInd Bank Limited (entities belonging to non-promoter group).

J Shares reserved for issue under options

For details of shares reserved for issue under the Employee Stock Option Plan (ESOP), refer note to 56.

K The information required to be disclosed that enables user of its financial statements to evaluate the objectives, policies and process for managing capital is disclosed in note 44.

L Shareholdings of Promoters

Promoter Name	As at March 31, 2023		As at March 31, 2022		% Change during the year
	No. of Shares	% of Total Shares	No. of Shares	% of Total Shares	
Mrs. Anureet HP Singh	726,148	0.85%	726,148	0.97%	(0.12%)
Mr. Harbans Singh (deceased)	406,402	0.48%	406,402	0.54%	(0.06%)
Mr. Satvinder Singh	385,703	0.45%	385,703	0.51%	(0.06%)
Mrs. Neeti Singh	204,092	0.24%	204,092	0.27%	(0.03%)
Trishashna Holdings & Investments Private Limited	31,579,692	37.05%	25,477,128	33.96%	3.09%
Wisteria Holdings & Investments Private Limited	322,262	0.38%	322,262	0.43%	(0.05%)
Total	**33,624,299**	**39.45%**	**27,521,735**	**36.68%**	2.77%

Note 26 : Other equity

Particulars	As at March 31, 2023	As at March 31, 2022
Capital redemption reserve	2,777.00	2,777.00
Statutory reserve	16,573.30	11,003.98
General reserve	29.94	29.94
Securities premium	113,726.31	106,455.16
Retained earnings	19,735.05	24,864.90
Money received against share warrants	2,927.08	5,000.00
Other comprehensive income:		
Equity instruments through other comprehensive income	(2,049.12)	(5.00)
Changes in fair value of loan assets	613.25	579.68
Cash flow hedge reserve	–	20.56
Total	**154,332.81**	**150,726.22**

(All amounts in ₹ lakhs, unless otherwise stated)

Nature and purpose of other reserve

Capital redemption reserve

The same had been created in accordance with provisions of the Companies Act, 2013 on account of redemption of preference shares.

Statutory reserve

The reserve is created as per the provision of Section 45(IC) of Reserve Bank of India Act, 1934. This is a restricted reserve and no appropriation can be made from this reserve fund except for the purpose as may be prescribed by Reserve Bank of India.

General reserve

The management has transferred a portion of the net profit to general reserve before declaring dividend pursuant to the provision of erstwhile Companies Act.

Securities premium

Securities premium represents premium received on issue of shares. The amount is utilised in accordance with the provisions of the Companies Act 2013.

Money received against share warrants

During the last year, the Company had allotted Fully Convertible Warrants of ₹ 10 each at issue price of ₹ 81.25 per warrant including premium of ₹ 71.25 per warrant (25% of which was paid on allotment of warrant and 75% shall be payable at the time of exercising the warrants) on preferential basis to Trishashna Holdings & Investments Private Ltd (THIPL) (1,23,07,692 warrants) (entity belonging to promoter group) and Florintree Ventures LLP (1,23,07,692 warrants) (entity belonging to non-promoter group) on January 25, 2022. Out of the said warrants 1,02,05,128 warrants (61,02,564 warrants by THIPL and 41,02,564 warrants by Florintree Ventures LLP) have been converted during the year.

Equity instruments through other comprehensive income

This represents the cumulative gains and losses arising on the fair valuation of equity instruments measured at fair value through other comprehensive income.

Changes in fair value of loan assets

This represents the cumulative gains and losses arising on the fair valuation of loan assets classified under business model of hold and hold to collect and sell.

Cash flow hedge reserve

Cash flow hedge reserve is used to eliminate or reduce the exposure that arises from changes in the cash flows of a financial asset or liability (or other eligible exposure) due to changes in a particular risk, such as interest rate risk on a floating rate debt instrument.

Note 27 : Interest income

Particulars	For the year ended March 31, 2023			For the year ended March 31, 2022		
	On financial assets measured at amortised cost	On financial assets measured classified at FVTPL	On financial assets measured classified at FVOCI	On financial assets measured at amortised cost	On financial assets measured classified at FVTPL	On financial assets measured classified at FVOCI
Interest income on portfolio loans	27,029.70	–	85,674.99	9,241.68	–	103,722.70
Income from housing loans	–	–	5,112.33	–	–	3,303.33

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2023			For the year ended March 31, 2022		
	On financial assets measured at amortised cost	On financial assets measured classified at FVTPL	On financial assets measured classified at FVOCI	On financial assets measured at amortised cost	On financial assets measured classified at FVTPL	On financial assets measured classified at FVOCI
Interest income on deposits	4,850.99	–	–	4,796.76	–	–
Interest income on certificate of deposits and commercial papers	–	256.56	–	–	738.64	–
Interest income on unwinding of assigned portfolio	1,972.27	–	–	970.38	–	–
Sub-total	**33,852.96**	**256.56**	**90,787.32**	**15,008.82**	**738.64**	**107,026.03**
Total			**124,896.84**			**122,773.49**

Note 28 :Dividend income

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Dividend income	0.17	3.15
Total	**0.17**	**3.15**

Note 29 : Rental income

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Rental income on building	38.28	35.63
Total	**38.28**	**35.63**

Note 30 : Fees and commission income

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Service fee and facilitation charges	2,158.30	682.25
Income from business correspondent operations*	5,516.11	7,444.52
Total	**7,674.41**	**8,126.77**

*Set out below is the disaggregation of the Group's revenue from contracts with customers and reconciliation to profit and loss account:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Type of Services or service		
Income from business correspondent operations	5,516.11	7,444.52
Total revenue from contracts with customers	**5,516.11**	**7,444.52**
Geographical markets		
India	5,516.11	7,444.52
Outside India	–	–
Total revenue from contracts with customers	**5,516.11**	**7,444.52**
Timing of revenue recognition		
Services transferred at a point in time	–	–
Services transferred over time	5,516.11	7,444.52
Total revenue from contracts with customers	**5,516.11**	**7,444.52**

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Contract balances		
Trade receivable	698.53	882.84
Contract Assets	825.64	2,250.84
Contract Liabilities	–	–

Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue as per Contract	5,516.11	7,444.52
Adjustments	-	-
Discount	-	-
Revenue from contract with customers	**5,516.11**	**7,444.52**

Note 31 : Net gain on fair value changes

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(A) Net gain on financial instruments measured at fair value through profit and loss		
- Investments		
Gain on sale of mutual funds	375.37	264.81
Gain on fair valuation of other investments	1.19	–
(B) Others		
– Derivatives	1,038.89	1,158.62
Total	**1,415.45**	**1,423.43**
Fair value changes		
– Realised	375.37	263.11
– Unrealised	1,040.08	1,160.32
Total	**1,415.45**	**1,423.43**

Note 32 : Net gain on derecognition of financial instruments

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Gain on sale of loan portfolio through assignment	21,571.16	5,165.51
Total	**21,571.16**	**5,165.51**

Note 33 : Other operating income

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Commitment and other charges	132.73	176.60
Total	**132.73**	**176.60**

Note 34 : Other income

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Promotion of financial products	90.00	55.00
Net gain on derecognition of property, plant and equipment	9.95	2.75
Net gain on termination of leases	7.59	7.78
Interest income on income - tax refund	–	69.93
Miscellaneous income	65.75	273.94
Total	**173.29**	**409.40**

(All amounts in ₹ lakhs, unless otherwise stated)

Note 35 : Finance costs (on financial liabilities measured at amortised cost)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest on borrowings (other than debt securities)	41,624.35	36,560.71
Interest on debt securities	12,703.81	18,520.51
Interest on subordinated liabilities*	5,848.88	6,918.75
Interest expense for leasing arrangements	141.07	89.03
Other interest expenses	972.25	787.41
Bank charges	382.74	195.10
Total	**61,673.10**	**63,071.51**

* This includes dividend on Cumulative, Non-Participative, Non Convertible, Compulsorily Redeemable Preference Shares of ₹ Nil (March 31. 2022 : ₹ 20.31 Lakhs) paid during the year along with redemption of the same.

Note 36 : Impairment on financial instruments

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
	On financial assets measured at amortised cost	On financial assets measured at FVTOCI	On financial assets measured at amortised cost	On financial assets measured at FVTOCI
Loans written off	356.80	59,469.91	97.60	11,810.92
Impairment loss allowance on trade receivable and other receivable	25.37	–	15.79	–
Impairment loss allowance on housing and other loans	225.45	(19,269.31)	457.33	5,692.02
Total	**607.62**	**40,200.60**	**570.72**	**17,502.94**

Note 37 : Employee Benefit Expenses

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries, wages and bonus	35,340.71	35,366.02
Contribution to provident and other funds	2,946.28	3,472.89
Share based payment to employees	–	(5.76)
Staff welfare expenses	473.30	479.28
Total	**38,760.29**	**39,312.43**

Note 38 : Depreciation and amortisation

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation on property, plant and equipment	1,120.44	1,203.80
Depreciation on right-of-use assets	609.96	289.72
Depreciation on investment property	34.00	35.75
Amortisation on intangible assets	74.97	80.50
Total	**1,839.37**	**1,609.77**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Note 39 : Other expenses

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Travelling and conveyance	2,366.79	671.45
Legal and professional charges	1,630.78	1,442.50
Insurance	430.50	558.47
Rent	1,401.63	1,659.81
Auditor's fee and expenses*	81.32	78.86
Rates and taxes	169.42	127.14
Repairs and maintenance	737.68	590.87
Director's fees, allowances and expenses	91.19	68.24
Software expenses	80.26	67.71
Documentation charges	362.04	128.64
Corporate social responsibility	175.45	341.93
Net loss on derecognition of property, plant and equipment	–	22.78
Property, plant and equipment written off	6.01	39.14
Printing and stationery	592.45	443.78
Communication costs	507.37	507.94
Write off against first loss default guarantee	640.18	2,914.03
First loss default guarantee expenses	(535.49)	42.08
Website and maintenance charges	38.41	18.46
Advertisement and publicity	241.91	104.89
Cash embezzlement	119.92	102.78
Other administrative expenses	1,739.60	1,478.97
Miscellaneous expenses	1,419.86	1,218.28
Total	**12,297.28**	**12,628.75**

*** Remuneration to auditors comprises of (excluding applicable taxes):**

As auditors	53.81	52.32
Other services	14.40	17.82
Reimbursement of expenses	13.11	8.72
Total	**81.32**	**78.86**

Note 40 : Tax expense

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current tax	193.96	3,196.54
Income tax for earlier years	(242.85)	206.16
Deferred tax credit	91.65	(2,054.73)
Tax expense reported in the Statement of Profit and Loss	**42.76**	**1,347.97**

The major components of tax expense and its reconciliation to expected tax expense based on the enacted tax rate applicable to the Company is 25.168% (March 31, 2022: 25.168%) and the reported tax expense in statement of profit and loss are as follows:

Accounting profit before tax expense	524.07	3,417.86
Income tax rate	25.168%	25.168%
Expected tax expense	131.90	860.21
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense		
Tax impact of expenses which is non deductible	58.11	203.03
Tax impact on items exempt under income tax	–	(2.57)
Income tax for earlier years	(242.85)	206.16
Tax on profit elimination	(8.62)	60.54
Others	104.22	20.60
Tax expense	**42.76**	**1,347.97**

(All amounts in ₹ lakhs, unless otherwise stated)

Note 41 : Earnings per share (EPS)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Net profit for the year for basic earnings per share	**481.31**	**2,069.89**
Dilutive impact of share warrants	–	–
Net profit for the year for diluted earnings per share	**481.31**	**2,069.89**
Nominal value of equity share (₹)	10	10
Weighted-average number of equity shares for basis earnings per share	78,231,361	69,888,690
Effect of dilution:		
Share warrants	3,602,564	6,153,846
Weighted-average number of equity shares used to compute diluted earnings per share	**81,833,925**	**76,042,536**
Basic earnings per share (₹)	**0.62**	**2.96**
Diluted earnings per share (₹)	**0.59**	**2.72**

All the above mentioned repayments disclosed as per the contractual maturities of debt securities, borrowing other than debt securities and subordinate liabilities at gross carrying value.

Note 42 : Financial instruments

A Financial assets and liabilities

The carrying amounts of financial instruments by category are as follows:

Particulars	Note	As at March 31, 2023	As at March 31, 2022
Financial assets measured at fair value			
Derivative financial instruments	Note - 6	2,231.64	1,192.75
Loans measured at fair value through other comprehensive income	Note - 8	417,324.36	417,502.88
Investments* measured at			
Fair value through other comprehensive income	Note - 9	5,936.39	4,505.00
Fair value through profit and loss	Note - 9	111.70	169.75
Financial assets measured at amortised cost			
Cash and cash equivalents	Note - 4	25,770.63	109,126.48
Bank balances other cash and cash equivalents	Note - 5	85,665.12	91,067.88
Trade receivables	Note - 7	539.45	276.08
Loans	Note - 8	215,561.31	113,339.39
Investments*	Note - 9	127.81	181.87
Security deposits	Note - 10	253.59	356.53
Other financial assets	Note - 10	2,059.21	2,546.36
Total		**755,581.21**	**740,264.97**

Financial liabilities measured at amortised cost			
Trade payables	Note - 17	507.87	1,278.48
Other payables	Note - 18	1,551.65	1,692.21
Debt securities (including interest accrued)	Note - 19 and 22	112,633.95	122,737.70
Borrowings other than debt securities (including interest accrued)	Note - 20 and 22	446,093.20	409,829.86
Sub-ordinated liabilities (including interest accrued)	Note - 21 and 22	37,612.39	47,560.79
Other financial liabilities	Note - 22	21,857.14	22,224.81
Total		**620,256.20**	**605,323.85**

(All amounts in ₹ lakhs, unless otherwise stated)

B Fair values hierarchy

Financial assets and financial liabilities are measured at fair value in the financial statements and are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

The categories used are as follows:

Level 1: Quoted prices (unadjusted) for identical instruments in an active market;

Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and

Level 3: Inputs which are not based on observable market data (unobservable inputs).

Valuation technique used to determine fair value

The fair value of a financial instrument on initial recognition is normally the transaction price (fair value of the consideration given or received). Subsequent to initial recognition, the Group determines the fair value of financial instruments that are quoted in active markets using the quoted bid prices (financial assets held) or quoted ask prices (financial liabilities held) and using valuation techniques for other instruments. Valuation techniques include discounted cash flow method, market comparable method, recent transactions happened in the Group and other valuation models. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

B.1 Financial assets and liabilities measured at fair value - recurring fair value measurements

As at March 31, 2023	Level 1	Level 2	Level 3	Total
Assets				
Loans at fair value through other comprehensive income				
Loans	–	417,324.36	–	417,324.36
Investments at fair value through other comprehensive income				
Security Receipts	–	–	5,936.39	5,936.39
Investments at fair value through profit and loss				
Government securities	–	0.51	–	0.51
Others	–	111.19	–	111.19
Derivative financial assets at fair value through profit and loss				
Currency and interest swaps	–	2,231.64	–	2,231.64

As at March 31, 2022	Level 1	Level 2	Level 3	Total
Assets				
Loans at fair value through other comprehensive income				
Loans	–	417,502.88	–	417,502.88
Investments at fair value through other comprehensive income				
Security Receipts	–	–	4,505.00	4,505.00
Investments at fair value through profit and loss				
Mutual funds	59.24	–	–	59.24
Government securities	–	0.51	–	0.51
Derivative financial assets at fair value through profit and loss				
Currency and interest swaps	–	1,192.75	–	1,192.75

Valuation process and technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

(a) Eligible loans valued by discounting the aggregate future cash flows (both principal and interest cash flows) with discount rate that commensurate with the risk inherent in the expected cash flows for the remaining portfolio tenor.

(b) The use of net asset value for mutual funds and certificate of deposits on the basis of the statement received from investee party.

(All amounts in ₹ lakhs, unless otherwise stated)

(c) The value of derivative contracts are determined using mark to market value shared by contracting bank at balance sheet date.

(d) The use of net asset value for security receipts on the basis of the value declared by investee party.

(e) The use of net asset value for government securities on the basis of the value declared by government.

B.2 Fair value of instruments measured at amortised cost

Fair value of instruments measured at amortised cost for which fair value is disclosed is as follows, these fair values are calculated using Level 3 inputs:

Particulars	As at March 31, 2023		As atMarch 31, 2022	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Cash and cash equivalents	25,770.63	25,770.63	109,126.48	109,126.48
Bank balances other than cash and cash equivalents	85,665.12	85,665.12	91,067.88	91,067.88
Trade receivables	539.45	539.45	276.08	276.08
Loans	215,561.31	216,734.21	113,339.39	114,025.33
Investments	127.81	127.81	181.87	181.87
Security deposits	253.59	248.16	356.53	358.75
Other financial assets	2,059.21	2,128.31	2,546.36	2,546.36
Total	**329,977.12**	**331,213.69**	**316,894.59**	**317,582.75**
Financial liabilities				
Trade payables	507.87	507.87	1,278.48	1,278.48
Other payables	1,551.65	1,551.65	1,692.21	1,692.21
Debt securities (including interest accrued)	112,633.95	116,948.44	122,737.70	126,258.68
Borrowings other than debt securities (including interest accrued)	446,093.20	446,573.75	409,829.86	412,120.52
Sub-ordinated liabilities (including interest accrued)	37,612.39	37,947.69	47,560.79	48,051.87
Other financial liabilities	21,857.14	20,911.52	22,224.81	22,224.81
Total	**620,256.20**	**624,440.92**	**605,323.85**	**611,626.57**

The management assessed that fair values of cash and cash equivalents, other bank balances, trade receivables and trade payables approximate their respective carrying amounts, largely due to the short-term maturities of these instruments. The following methods and assumptions were used to estimate the fair values for other assets and liabilities:

(i) The fair values of fixed interest bearing loans are determined by applying set of discount rates and then averaged out to arrive at the fair value.

(ii) The fair values of fixed rate interest-bearing debt securities, borrowings and subordinated liabilities are determined by applying discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. For variable rate interest-bearing debt securities, borrowings and subordinated liabilities, carrying value represent best estimate of their fair value as these are subject to changes in underlying interest rate indices as and when the changes happen.

Note 43 : Financial risk management

i) Risk Management

The Group's activities expose it to market risk, liquidity risk and credit risk. The Group's Board of directors has overall responsibility for the establishment and oversight of the Group risk management framework. The Group manages the risk basis policies approved by the board of directors. The board of directors provides principles for overall risk management. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

(All amounts in ₹ lakhs, unless otherwise stated)

Risk	Exposure arising from	Measurement	Risk management
Credit risk	Cash and cash equivalents (excluding cash on hand), other bank balances, investments, loans, trade receivables and other financial assets	Credit limit and ageing analysis	Highly rated bank deposits and diversification of asset base and collaterals taken for assets
Liquidity risk	Borrowings, debt securities, subordinated liabilities, trade payables and other financial liabilities	Cash flow forecasts	Committed borrowing and other credit facilities and sale of loan assets (whenever required) Maintaining high level of liquidity by investing in liquid instruments
Market risk - foreign exchange	Financial assets and liabilities not denominated in Indian rupee ₹	Cash flow forecasting	Currency and interest rate swaps
Market risk - interest rate	Change in interest rate of variable rates borrowings, debt securities and subordinated liabilities	Sensitivity analysis	Review of cost of funds and pricing disbursement
Market risk - security price	Investments in equity securities, mutual funds, certificate of deposits and commercial papers	Sensitivity analysis	Diversification of portfolio, with focus on strategic investments

In order to avoid excessive concentration of risk, the Group's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

A) Credit risk

Credit risk is the risk that the Group will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Group's exposure to credit risk is influenced mainly by cash and cash equivalents, other bank balances, investments, loan assets, trade receivables and other financial assets. The Group continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

a) Credit risk management

Based on business environment in which the Group operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. The Group assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Group has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties, including regular collateral revisions. The Group assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

(i) Low credit risk

(ii) Moderate credit risk

(iii) High credit risk

The Group provides for expected credit loss based on the following:

Nature	Assets covered	Provision for expected credit loss
Low credit risk	Cash and cash equivalents (excluding cash on hand), other bank balances, investments, loans, trade receivables and other financial assets	Life time expected credit loss or 12 month expected credit loss
Moderate credit risk	Loans and other financial assets	Life time expected credit loss or 12 month expected credit loss
High credit risk	Loans	Life time expected credit loss or fully provided for

Financial assets that expose the entity to credit risk*

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Low credit risk		
Cash and cash equivalents	21,069.58	103,747.95
Bank balances other than cash and cash equivalents	85,665.12	91,067.88
Trade receivables	540.05	285.63
Loans	621,155.74	477,629.68
Investments	6,175.90	4,856.62
Security deposits	253.59	356.53
Other financial assets	2,059.21	2,546.36
(ii) Moderate credit risk		
Loans	4,314.06	8,095.38
(iii) High credit risk		
Loans	20,339.19	45,117.20
Other financial assets	35.40	4.14

* These represent gross carrying values of financial assets, without netting off impairment loss allowance.

Cash and cash equivalents and bank deposits

Credit risk related to cash and cash equivalents (excluding cash on hand) and bank deposits is managed by only accepting highly rated deposits from banks and financial institutions across the country.

Trade receivables

Trade receivables measured at amortized cost and credit risk related to these are managed by monitoring the recoverability of such amounts continuously.

Other financial assets measured at amortized cost

Other financial assets measured at amortized cost includes loans and advances to employees, security deposits, insurance claim receivables and other recoverable. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously.

Loans

The Group closely monitors the credit worthiness of the borrower's through internal systems and appraisal process to assess the credit risk and define credit limits of borrower, thereby, limiting the credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties. These processes include a detailed appraisal methodology, identification of risks and suitable structuring and credit risk mitigation measures. The Group assesses increase in credit risk on an ongoing basis for amounts loan receivables that become past due and default is considered to have occurred when amounts receivable become 90 days past due.

The major guidelines for selection of the client includes:

- The client's income and indebtedness levels
- The client's household must be engaged in some form of economic activity which ensures regular and assured income
- The client must possess the required KYC documents
- Client must agree to follow the rules and regulations of the organisation
- Credit bureau check – In order to deal with the problem of over extension of credit and indebtedness of the client, the organisation undertakes credit bureau checks compulsorily for every client. The credit bureau check helps the organisation in identifying clients with poor repayment histories and multiple loans.

Category*	Inputs	Assumptions
Micro finance loans Micro, Small and Medium Enterprises loans Housing and other loans	1. Ageing of historical data 2. Latest available interest rate as discounting factor	1. Recoverability assumptions for stage 3 loan assets 2. Averaging of best case and worst case scenarios

(All amounts in ₹ lakhs, unless otherwise stated)

* The Parent Company has used forward looking information in form of real domestic demand, consumer price index, real GDP and agriculture growth rate for Micro finance loans and real domestic demand and consumer prices growth rate for Micro Small and Medium Enterprises loans and subsidiary Companies has used forward looking information in form of inflation rate for housing and other loans.

Assets are written off when there is no reasonable expectation of recovery. The Group continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.

b) Credit risk exposure

i) Expected credit losses for financial assets other than loans

As at March 31, 2023	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	21,069.58	–	21,069.58
Bank balances other than cash and cash equivalents	85,665.12	–	85,665.12
Trade receivables	540.05	0.60	539.45
Investments	8,869.94	2,694.04	6,175.90
Security deposits	253.59	–	253.59
Other financial assets	2,094.61	35.40	2,059.21

As at March 31, 2022	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	103,747.95	–	103,747.95
Bank balances other than cash and cash equivalents	91,067.88	–	91,067.88
Trade receivables	285.63	9.55	276.08
Investments	4,856.62	–	4,856.62
Security deposits	356.53	–	356.53
Other financial assets	2,550.50	4.14	2,546.36

ii) Expected credit loss for loans

Definition of default:

The Group considers default in all cases when the borrower becomes 90 days past due on its contractual payments. 'The Expected Credit Loss (ECL) is measured at 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 loan assets. ECL is the product of the Probability of Default, Exposure at Default and Loss Given Default.

Changes in the gross carrying amount and the corresponding ECL allowances in relation to loans from beginning to end of reporting period:

Particulars	Stage 1	Stage 2	Stage 3
Gross carrying amount as at April 1, 2021	**545,344.96**	**13,675.79**	**49,977.73**
Assets originated*	297,304.82	1,032.25	2,024.24
Net transfer between stages			
Transfer to stage 1	8,021.60	(7,447.86)	(573.74)
Transfer to stage 2	(8,587.17)	8,670.38	(83.21)
Transfer to stage 3	(7,436.40)	(3,468.10)	10,904.49
Assets derecognised or collected (excluding write offs)	(322,408.20)	(4,121.02)	(4,361.30)
Write - offs (including death cases)	–	–	(12,338.91)
Gross carrying amount as at March 31, 2022	**512,239.61**	**8,341.44**	**45,549.30**
Assets originated*	493,707.59	1,059.98	1,026.80
Net transfer between stages			
Transfer to stage 1	1,948.85	(1,823.77)	(125.07)
Transfer to stage 2	(17,241.09)	17,255.74	(14.65)
Transfer to stage 3	(36,365.47)	(3,695.59)	40,061.06
Assets derecognised or collected (excluding write offs)	(333,275.66)	(4,215.82)	(15,038.15)
Write - offs (including death cases)	–	(12,499.33)	(51,087.79)
Gross carrying amount as at March 31, 2023	**621,013.83**	**4,422.65**	**20,371.50**

(All amounts in ₹ lakhs, unless otherwise stated)

* Assets originated has been presented net of collection made during the year.

Reconciliation of loss allowance provision from beginning to end of reporting period:

Reconciliation of loss allowance	Loans			Other financial assets
	Stage 1	Stage 2	Stage 3	
Loss allowance on April 1, 2021	**2,747.84**	**5,854.80**	**20,730.24**	**6.43**
Increase of provision due to assets originated during the year	665.12	205.91	877.09	–
Net transfer between stages				
Transfer to stage 1	2,129.68	(1,900.34)	(229.34)	–
Transfer to stage 2	(109.99)	146.49	(36.50)	–
Transfer to stage 3	(703.17)	(1,017.43)	1,720.60	–
Assets derecognised or collected	(500.29)	(449.42)	(6,248.13)	7.26
Impact of ECL on exposures transferred between stages during the year	(2,775.66)	1,661.48	12,519.10	–
Loss allowance on March 31, 2022	**1,453.53**	**4,501.49**	**29,333.06**	**13.69**
Increase of provision due to assets originated during the year	1,072.86	259.97	535.54	–
Net transfer between stages				
Transfer to stage 1	206.01	(182.98)	(23.03)	–
Transfer to stage 2	(38.29)	45.66	(7.36)	–
Transfer to stage 3	(68.46)	(293.05)	361.51	–
Assets derecognised or collected	(747.65)	(3,798.66)	(25,596.43)	22.31
Impact of ECL on exposures transferred between stages during the year	(463.92)	450.11	5,922.40	–
Loss allowance on March 31, 2023	**1,414.08**	**982.54**	**10,525.69**	**36.00**

c) Concentration of loans

Particulars	As at March 31, 2023	As at March 31, 2022
Micro finance loans	545,850.62	492,128.89
Micro, Small and Medium Enterprises (MSME)	58,934.27	48,079.96
Housing finance and other loans	47,011.93	29,834.31
Less: Unamortised processing fee	(5,988.84)	(4,059.09)
Total	**645,807.98**	**565,984.07**

d) Loans secured against collateral

The Group secured portfolio pertains to MSME, housing and other loans, which are secured largely against property, plant and equipment, book debts, inventories, margin money and other working capital items. The Group collateral policy is consistent throughout the periods presented. The following table presents the maximum exposure to credit risk.

Particulars	Carrying value
As at March 31, 2023	
MSME loans secured by property, plant and equipment (including land, building and plots)	63,945.82
MSME loans secured by book debts, inventories, margin money and other working capital items	3,082.64
As at March 31, 2022	
MSME loans secured by property, plant and equipment (including land, building and plots)	41,946.63
MSME loans secured by book debts, inventories, margin money and other working capital items	1,733.28

Wherever required, the Group holds other types of collateral and credit enhancements, such as cross-collateralisation on other assets of the borrower, pledge of securities, guarantees of promoters/proprietors, hypothecation of receivables via escrow account, hypothecation of receivables in other bank accounts, etc.

The Group does not physically possesses properties or other assets in its normal course of business but makes efforts toward recovery of outstanding amounts on delinquent loans. Once contractual loan repayments are overdue, the Group initiate the legal proceedings against the defaulted customers.

(All amounts in ₹ lakhs, unless otherwise stated)

B) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities (other than derivatives) that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

The Group maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors the Group's liquidity positions (also comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows. The Group also takes into account liquidity of the market in which the entity operates.

(i) Financing arrangements

The Group had access to the following undrawn borrowing facilities:

As at March 31, 2023	Total facility	Drawn	Undrawn
- Expiring within one year	1,053.50	553.50	500.00
- Expiring beyond one year	8,527.93	2,002.92	6,525.01
Total	**9,581.43**	**2,556.42**	**7,025.01**

As at March 31, 2022	Total facility	Drawn	Undrawn
- Expiring within one year	89,205.00	86,700.17	2,504.83
- Expiring beyond one year	348,086.45	318,145.78	29,940.67
Total	**437,291.45**	**404,845.95**	**32,445.50**

(ii) Maturities of financial assets and liabilities

The tables below analyse the Group financial assets and liabilities into relevant maturity groupings based on their contractual maturities. The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. Derivatives have been classified to mature and/or be repaid within 12 months, regardless of the actual contractual maturities of the products. With regard to loans and advances to customers, the Group uses the same basis of expected repayment behaviour as used for estimating the EIR. Issued debt reflect the contractual coupon amortisations.

The amounts disclosed in the table are the contractual undiscounted cash flows:

As at March 31, 2023	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Financial assets					
Non-derivatives					
Cash and cash equivalents	25,772.71	–	–	–	25,772.71
Bank balances other than cash and cash equivalents	58,803.78	27,338.00	3,178.73	151.93	89,472.44
Trade receivables	539.45	–	–	–	539.45
Loans	427,315.86	249,808.01	27,194.68	74,137.34	778,455.89
Investments	0.51	–	–	–	0.51
Other financial assets	2,374.30	17.71	14.41	10.88	2,417.30
Derivatives (net settled)					
Derivative financial instruments	2,231.64	–	–	–	2,231.64
Total undiscounted financial assets	**517,038.25**	**277,163.72**	**30,387.82**	**74,300.15**	**898,889.94**
Financial liabilities					
Non-derivatives					
Debt Securities	67,896.95	21,028.71	30,928.40	11,606.60	131,460.66

(All amounts in ₹ lakhs, unless otherwise stated)

Borrowings other than debt securities	325,521.23	135,285.08	35,079.11	33,744.58	529,630.00
Subordinated liabilities	11,611.27	3,875.63	29,262.67	2,779.18	47,528.75
Trade payables	507.87	–	–	–	507.87
Other payables	1,551.65	–	–	–	1,551.65
Other financial liabilities	21,857.14	–	–	–	21,857.14
Provision	0.13	–	–	–	0.13
Total undiscounted financial liabilities	**428,946.24**	**160,189.42**	**95,270.18**	**48,130.36**	**732,536.20**
Net undiscounted financial assets/(liabilities)	**88,092.01**	**116,974.30**	**(64,882.36)**	**26,169.79**	**166,353.74**

As at March 31, 2022	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Financial assets					
Non-derivatives					
Cash and cash equivalents	108,762.50	–	–	–	108,762.50
Bank balances other than cash and cash equivalents	70,643.62	16,891.12	5,862.12	350.56	93,747.42
Trade receivables	276.08	–	–	–	276.08
Loans	391,124.21	180,888.26	24,490.37	43,996.35	640,499.19
Investments	1,004.65	1,967.83	1,824.41	–	4,796.89
Other financial assets	2,942.28	51.80	34.85	53.80	3,082.73
Derivatives (net settled)					
Derivative financial instruments	1,192.75	–	–	–	1,192.75
Total undiscounted financial assets	**575,946.09**	**199,799.01**	**32,211.75**	**44,400.71**	**852,357.56**
Financial liabilities					
Non-derivatives					
Debt Securities	56,779.37	63,675.91	10,313.58	9,607.41	140,376.27
Borrowings other than debt securities	313,041.16	96,224.07	37,800.22	20,154.43	467,219.88
Subordinated liabilities	16,954.57	10,421.85	3,874.35	32,041.86	63,292.63
Trade payables	1,278.48	–	–	–	1,278.48
Other payables	1,692.21	–	–	–	1,692.21
Other financial liabilities	22,224.81	–	–	–	22,224.81
Provision	2.78	–	–	–	2.78
Total undiscounted financial liabilities	**411,973.38**	**170,321.83**	**51,988.15**	**61,803.70**	**696,087.06**
Net undiscounted financial assets/(liabilities)	**163,972.71**	**29,477.18**	**(19,776.40)**	**(17,402.99)**	**156,270.50**

The Group has restructured certain loans in accordance with the RBI circular RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22 dated May 05, 2021. The maturities of financial assets and liabilities, as above, are the amount due and payable only to the extent the contractual terms with borrowers and provider of finances were amended as at March 31, 2022.

C) Market risk

a) Foreign currency risk

The Group is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the functional currency of the Group. To mitigate the Group's exposure to foreign currency risk, non-rupee cash flows are monitored and derivative contracts are entered into in accordance with the Group's risk management policies. Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk arise majorly on account of foreign currency borrowings. The Group manages its foreign currency risk by entering in to cross currency swaps and forward contract. When a derivative is entered in to for the purpose of being as hedge, the Group negotiates the terms of those derivatives to match with the terms of the hedge exposure.

(All amounts in ₹ lakhs, unless otherwise stated)

Foreign currency risk exposure:

The Group exposure to foreign currency risk at the end of the reporting period expressed in ₹, are as follows

Particulars	Currency	As at March 31, 2023	As at March 31, 2022
Financial liabilities			
External commercial borrowings (including interest accrued)	USD	41,691.24	31,437.45
(Gain)/loss: Derivative contract		(2,231.64)	(1,192.75)

Sensitivity

The sensitivity of profit and loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
USD sensitivity*		
INR/USD- increase by 5%	(2,084.56)	(1,571.87)
INR/USD- decrease by 5%	2,084.56	1,571.87

* Holding all other variables constant

b) Interest rate risk

i) Liabilities

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Group's policy is to minimise interest rate cash flow risk exposures on long-term financing. As at March 31, 2023, the Group is exposed to changes in market interest rates through debt securities, other borrowings and subordinated liabilities at variable interest rates.

Interest rate risk exposure

Below is the overall exposure of the Group to interest rate risk:

Particulars	As at March 31, 2023	As at March 31, 2022
Variable rate liabilities		
Debt securities	–	–
Borrowings other than debt securities	170,303.80	160,014.19
Subordinated liabilities	20,000.00	20,000.00
Fixed rate liabilities		
Debt securities	109,643.58	119,241.39
Borrowings other than debt securities	274,054.46	248,065.77
Subordinated liabilities	17,122.90	27,030.53
Total	**591,124.74**	**574,351.88**

Sensitivity

The profits earned by the Group are sensitive to the change in interest rates on debt securities. The following table shows the sensitivity of profit/(loss) due to change in interest rates:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest sensitivity*		
Interest rates – increase by 0.50%	774.96	738.81
Interest rates – decrease by 0.50%	(774.96)	(738.81)

* Holding all other variables constant

(All amounts in ₹ lakhs, unless otherwise stated)

ii) **Assets**

The Group's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

c) Price risk

i) **Exposure**

The Group's exposure price risk arises from investments held and classified in the balance sheet either as fair value through other comprehensive income or at fair value through profit and loss. To manage the price risk arising from investments, the Group diversifies its portfolio of assets.

ii) **Sensitivity**

The table below summarises the impact of increases/decreases of the index on the Group's equity and profit for the period:

Impact on profit after tax

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Mutual fund, Certificate of deposits and commercial paper		
Net assets value – increase by 5%	–	2.99
Net assets value – decrease by 5%	–	(2.99)

Note 44 : Capital management

The primary objectives of the Group's capital management policy is to ensure that the Group complies with capital adequacy requirements required by the Reserve Bank of India and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Group's capital management objectives are

– to ensure the Group's ability to continue as a going concern

– to comply with externally imposed capital requirement and maintain strong credit ratings

– to provide an adequate return to shareholders

Management assesses the Group's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the sub-ordination levels of the Group's various classes of debt. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

Particulars	As at March 31, 2023	As at March 31, 2022
Net debt*	484,903.79	379,933.99
Total equity	162,812.44	158,185.34
Net debt to equity ratio	**2.98**	**2.40**

* Net debt includes debt securities + borrowings other than debt securities + sub-ordinated liabilities + interest accrued - cash and cash equivalents - bank balances other than cash and cash equivalents.

(All amounts in ₹ lakhs, unless otherwise stated)

Note 45 : Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. Derivatives have been classified to mature and/or be repaid within 12 months, regardless of the actual contractual maturities.

Particulars	As at March 31, 2023		As at March 31, 2022	
	Within 12 months	After 12 months	Within 12 months	After 12 months
ASSETS				
Financial assets				
Cash and cash equivalents	25,770.63	–	109,126.48	–
Bank balances other than cash and cash equivalents	57,206.38	28,458.74	69,387.96	21,679.92
Derivative financial instruments	2,231.64	–	1,192.75	–
Trade receivables	539.45	–	276.08	–
Loans	322,586.32	310,299.35	303,109.49	227,732.78
Investments	0.51	6,175.39	1,195.97	3,660.65
Other financial assets	2,240.16	72.64	2,836.48	66.41
	410,575.09	**345,006.12**	**487,125.21**	**253,139.76**
Non-financial assets				
Current tax assets (net)	3,321.63	1,005.92	(116.53)	642.63
Deferred tax assets (net)	–	8,857.48	161.66	8,092.00
Property, plant and equipment	–	8,681.88	118.71	8,163.47
Capital work-in-progress	–	–	–	17.89
Investment Property	–	664.26	–	698.26
Goodwill	–	3,370.66	–	3,370.66
Other intangible assets	–	179.17	–	230.40
Other non-financial assets	2,482.17	812.43	3,441.33	441.61
	5,803.80	**23,571.80**	**3,605.17**	**21,656.92**
TOTAL ASSETS	**416,378.89**	**368,577.92**	**490,730.38**	**274,796.68**
LIABILITIES AND EQUITY				
LIABILITIES				
Financial liabilities				
Payables				
Trade payables				
(i) total outstanding dues of micro enterprises and small enterprises	10.42	–	10.42	–
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	497.45	–	1,268.06	–
Other payables				
(i) total outstanding dues of micro enterprises and small enterprises	23.87	–	172.02	–
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1,527.78	–	1,520.19	–
Debt securities	57,375.23	52,268.35	44,657.54	74,583.85
Borrowings (other than debt securities)	250,304.41	194,053.85	270,723.18	137,356.78
Subordinated liabilities	7,168.00	29,954.90	11,102.78	35,927.75
Other financial liabilities	25,527.97	1,543.97	27,865.61	135.67
	342,435.13	**277,821.07**	**357,319.80**	**248,004.05**
Non-financial liabilities				
Provisions	226.85	707.50	320.41	661.92
Other non-financial liabilities	953.82	–	1,033.96	1.58
	1,180.67	**707.50**	**1,354.37**	**663.50**
TOTAL LIABILITIES	**343,615.80**	**278,528.57**	**358,674.17**	**248,667.55**
Net equity	**72,763.09**	**90,049.35**	**132,056.21**	**26,129.13**

(All amounts in ₹ lakhs, unless otherwise stated)

Note 46 : Transferred financial assets

In the course of its financing activity, the group transfers financial assets, where legal rights to the cash flows from the asset are passed to the counterparty and where the group retains the rights to the cash flows but assumes a responsibility to transfer them to the counterparty.

The group has securitized its loan assets to unrelated and unconsolidated entities. As per the terms of the agreements, the group is exposed to first loss default guarantee amounting in range of 12% to 20% of the amount securitised and therefore continues to be exposed to significant risk and rewards relating to the underlying mortgage receivables. Hence, these loan assets are not derecognised and proceeds received are presented as borrowings.

The following tables provide a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities:

Particulars	As at March 31, 2023	As at March 31, 2022
Gross carrying amount of securitised assets	130,709.80	54,457.03
Gross carrying amount of associated liabilities	115,267.09	50,294.24
Carrying value and fair value of securitised assets	129,764.99	54,153.40
Carrying value and fair value of associated liabilities	115,267.09	50,294.24
Net position	**14,497.90**	**3,859.16**

Note 47 : Employee benefits

The Group has adopted Indian Accounting Standard (Ind AS) - 19 on Employee Benefit as under :

A Defined contribution plans

Provident and other funds

The Group makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund and other funds which are defined contribution plans. The Group has no obligations other than this to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrue.

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Employers contribution to provident and other fund	2,946.28	3,472.89

B Defined benefit plans

Gratuity

The Group has defined benefit gratuity plan. Every employee is entitled to gratuity as per the provisions of the Payment of Gratuity Act, 1972. The scheme is funded and the scheme is managed by Life Insurance Companies. The liability of Gratuity is recognized on the basis of actuarial valuation.

Risks associated with plan provisions

Salary increases	Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
Investment risk	If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
Discount rate	Reduction in discount rate in subsequent valuations can increase the plan's liability.
Mortality & disability	Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
Withdrawals	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

(All amounts in ₹ lakhs, unless otherwise stated)

(i) Amount recognised in the balance sheet is as under:

Particulars	As at March 31, 2023	As at March 31, 2022
Present value of obligation	1,585.86	1,524.78
Fair value of plan assets	1,612.68	1,490.84
Net obligation recognised in balance sheet as non-financial assets	**(26.82)**	**33.94**

(ii) Amount recognised in the statement of profit and loss is as under:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current service cost	291.01	276.93
Past service cost including curtailment gains/losses	–	(3.09)
Interest cost on defined benefit obligation	102.48	94.07
Interest income on plan assets	(104.49)	(96.24)
Net impact on profit/(loss) before tax	**289.00**	**271.67**

Amount recognised in the other comprehensive income:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Actuarial gain/(loss) unrecognised during the year	(47.92)	19.57

(iii) Movement in the present value of defined benefit obligation recognised in the balance sheet is as under:

Particulars	As at March 31, 2023	As at March 31, 2022
Present value of defined benefit obligation as at the beginning of year	1,524.78	1,498.59
Current service cost	291.01	276.93
Interest cost	103.76	101.30
Past service cost including curtailment gains/losses	–	(3.09)
Benefits paid	(373.63)	(348.23)
Actuarial loss/(gain) on obligation	–	–
Actuarial (gain)/loss on arising from change in demographic assumption	–	(57.23)
Actuarial (gain)/loss on arising from change in financial assumption	(11.18)	(17.00)
Actuarial loss on arising from experience adjustment	51.12	73.51
Present value of defined benefit obligation as at the end of the year	**1,585.86**	**1,524.78**

(iv) Major categories of plan assets (as percentage of total plan assets):

Particulars	As at March 31, 2023	As at March 31, 2022
Funds managed by insurers	100%	100%
Total	**100%**	**100%**

(v) Movement in the plan assets recognised in the balance sheet is as under:

Particulars	As at March 31, 2023	As at March 31, 2022
Fair value of plan assets at beginning of year	1,490.84	1,530.68
Actual return on plan assets	94.31	119.23
Employer's contribution	401.24	189.16
Benefits paid	(373.63)	(348.23)
Expected return on plan assets	2.39	–
Actuarial loss/(gain) on plan assets	(2.47)	–
Fair value of plan assets at the end of the year	**1,612.68**	**1,490.84**

(All amounts in ₹ lakhs, unless otherwise stated)

(vi) Actuarial assumptions

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Discounting rate	7.39%	7.26%
Future salary increase	4.00%	4.00% - 8.00%
Retirement age (years)	60	58 - 60
Withdrawal rate		
Up to 30 years	56.21% - 25.50%	56.21% - 5.00%
From 31 to 44 years	43.75% - 17.77%	43.75% - 3.00%
Above 44 years	50.00% - 0.00%	50.00% - 0.28%
Weighted average duration	1.36 - 3.94	1.36 - 3.73

Mortality rates inclusive of provision for disability -100% of IALM (2012 – 14)

Gratuity is payable to the employees on death or resignation or on retirement at the attainment of superannuation age. To provide for these eventualities, the Actuary has used Indian Assured Lives Mortality (2012 – 14) Ultimate table.

(vii) Sensitivity analysis for gratuity liability

Particulars	As at March 31, 2023	As at March 31, 2022
Impact of the change in discount rate		
Present value of obligation at the end of the year	1,585.86	1,524.78
– Impact due to increase of 0.50 %	(42.52)	(34.30)
– Impact due to decrease of 0.50 %	45.71	36.57
Impact of the change in salary increase		
Present value of obligation at the end of the year	1,585.86	1,524.78
– Impact due to increase of 0.50 %	46.93	37.52
– Impact due to decrease of 0.50 %	(43.98)	(35.45)

Sensitivities due to mortality and withdrawals are not material and hence impact of change due to these is not calculated

Sensitivities as to rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable.

(viii) Maturity profile of defined benefit obligation (discounted)

Particulars	As at March 31, 2023	As at March 31, 2022
0 to 1 year	398.57	431.91
1 to 2 year	179.64	191.80
2 to 3 year	130.63	143.54
3 to 4 year	98.88	105.93
4 to 5 year	139.82	79.23
5 to 6 year	64.57	113.21
6 year onwards	573.75	459.16
Total	**1,585.86**	**1,524.78**

Note 48 : Related party disclosures

A List of related parties and disclosures

Key managerial personnel and their relatives:

Name of key managerial personnel	Designation
Mr. Harvinder Pal Singh	Chairman cum Managing Director
Mr. Jugal Kataria	Group Controller
Mr. Rakesh Sachdeva	Chief Financial Officer

(All amounts in ₹ lakhs, unless otherwise stated)

Name of key managerial personnel	Designation
Mr. Adhish Swaroop (till May 11, 2021)	Company Secretary and Compliance Officer
Mr. Vipul Sharma (w.e.f. May 12, 2021 till September 10, 2022)	Company Secretary and Compliance Officer
Mr. Vikas Gupta (w.e.f. October 8, 2022)	Company Secretary and Compliance Officer
Mr. Satvinder Singh	Non-Executive and Non-Independent Director
Mr. Sundeep Kumar Mehta	Non-Executive and Independent Director
Mr. Sanjay Kumar Bhatia	Non-Executive and Independent Director
Mr. Anil Kumar Kalra	Non-Executive and Independent Director
Mr. Chrisitan Bernhard Ramm (till March 1, 2023)	Nominee Director
Mr. Goh Colin	Non-Executive and Independent Director
Mrs. Sangeeta Khorana	Non-Executive and Independent Director

Taraashna Financial Services Limited*	
Mr. Rahul Garg (till February 28, 2023)	Chief Financial Officer
Mr. Manoj Kumar Jasoria (till January 31, 2022)	Company Secretary
Ms. Sneha Khanduja (w.e.f. July 29, 2022 till February 28, 2023)	Company Secretary
Mr. Partha Mukherjee (till August 31, 2022)	Chief Executive Officer & Whole Time Director

Satin Housing Finance Limited	
Mr. Sachin Sharma	Chief Financial Officer
Mr. Prince Kumar (till April 27, 2022)	Company secretary and Compliance officer
Ms. Vaishali Goyal (w.e.f. April 28, 2022)	Company secretary and Compliance officer
Mr. Amit Sharma	Managing Director and Chief Executive Officer
Dr. Jyoti Ahluwalia (w.e.f. April 27, 2022)	Director

Satin Finserv Limited*	
Mr. Arjun Bansal (w.e.f. June 15, 2021)	Chief Financial Officer
Mr. Jitendra Jain (w.e.f. May 31, 2021)	Chief Financial Officer
Mr. Puneet Jolly	Company secretary and Compliance officer
Mr. Sumit Mukherjee	Director & Chief Executive Officer

*Taraashna Financial Services Limited got merged with Satin Finserv Limited vide NCLT order dated March 1, 2023)

Enterprises over which key management personnel and relatives of such personnel exercise significant influence with whom transactions have been undertaken:

Satin Neo Dimensions Private Limited

Niryas Food Products Private Limited

B Details of transactions with related parties carried out in the ordinary course of business:

Name of related party	Nature of transaction	For the year ended March 31, 2023	For the year ended March 31, 2022
Mr. Harvinder Pal Singh	Remuneration	140.32	140.32
	Provident fund and others	14.39	14.39
	Personal guarantees given	25,780.00	8,333.33
	Personal guarantees withdrawn	10,655.81	–
Mr. Satvinder Singh	Personal guarantees given	–	–
	Personal guarantees withdrawn	10,000.00	20,000.00
Mr. Harvinder Pal Singh and Mr. Satvinder Singh	Personal guarantees given (jointly)	79,100.00	–
	Personal guarantees withdrawn (jointly)	95,451.53	31,618.74
Mr. Jugal Kataria	Remuneration	140.29	132.89
Mr. Rakesh Sachdeva	Remuneration	77.53	74.18
Mr. Adhish Swaproop	Remuneration	–	3.10
Mr. Vipul Sharma	Remuneration	8.52	17.74

(All amounts in ₹ lakhs, unless otherwise stated)

Name of related party	Nature of transaction	For the year ended March 31, 2023	For the year ended March 31, 2022
Mr. Vikas Gupta	Remuneration	16.14	–
Mr. Partha Mukherjee	Remuneration	17.50	39.69
Mr. Rahul Garg	Remuneration	21.08	18.06
Mr. Manoj Kumar Jasoria	Remuneration	–	7.94
Ms. Sneha Khanduja	Remuneration	3.18	–
Mr. Amit Sharma	Remuneration	93.25	81.50
Mr. Sachin Sharma	Remuneration	50.01	34.55
Mr. Prince Kumar	Remuneration	0.56	11.26
Ms. Vaishali Goyal	Remuneration	11.64	–
Mr. Sumit Mukherjee	Remuneration	105.60	96.92
Mr.Arjun Bansal	Remuneration	23.49	16.63
Mr. Jitendra Jain	Remuneration	–	5.26
Mr. Puneet Jolly	Remuneration	15.08	13.00
Mr. Satvinder Singh	Sitting fees	4.25	6.00
Mr. Sundeep Kumar Mehta	Sitting fees	7.45	9.10
Mrs. Sangeeta Khorana	Sitting fees	2.50	3.70
Mr. Goh Colin	Sitting fees	4.55	5.80
Mr. Sanjay Kumar Bhatia	Sitting fees	4.55	6.10
Dr. Jyoti Ahluwalia	Sitting fees	0.70	–
Mr. Anil Kumar Kalra	Sitting fees	5.40	6.50
Satin Neo Dimensions Private Limited	Interest income	27.24	41.92
	Inter corporate loan received back	85.09	70.44
	Purchase of property, plant & equipment (WIP)	–	18.44
Niryas Food Products Private Limited	Rent received	–	1.98

C Key management personnel compensation includes the following expenses:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Short-term employee benefits	738.57	707.43
Post employment benefits	28.64	18.72
Other long-term benefits	17.85	(34.16)
Share based payment	–	(33.09)

D Outstanding balances with related parties in ordinary course of business:

Name of related party	Nature of balance	As at March 31, 2023	As at March 31, 2022
Mr. Satvinder Singh	Personal guarantees against borrowings^	–	10,000.00
Mr. Harvinder Pal Singh	Personal guarantees against borrowings^	28,131.70	14,961.31
Mr. Harvinder Pal Singh and Mr. Satvinder Singh	Personal guarantees (jointly) against borrowings^	109,885.23	126,236.76
Mr. Goh Colin	Sitting fees	0.58	1.20
Mr. Anil Kumar Kalra	Sitting fees	0.63	–
Mr. Sanjay Kumar Bhatia	Sitting fees	0.63	–
Mr. Satvinder Singh	Sitting fees	0.27	–
Mr. Sundeep Kumar Mehta	Sitting fees	0.27	–
Mrs. Sangeeta Khorana	Sitting fees	0.63	–
Satin Neo Dimensions Private Limited	Inter corporate loan	97.48	182.57
	Interest accrued	1.52	2.79

^Personal guarantee balances outstanding indicates outstanding amount of borrowings against which guarantee was given.

(All amounts in ₹ lakhs, unless otherwise stated)

Note 49 : Leases disclosure as lessee

1 The table below describes the nature of the Group's leasing activities by type of right-of-use asset recognised on balance sheet:

March 31, 2023

Right-of use assets	No of right-of use assets leased	Range of remaining term	Average remaining lease term	No of leases with extension options	No of leases with purchase options	No of leases with variable payments linked to an index	No of leases with termination options
Office building	450	1 Months- 64 Months	8 Months - 18 Months	399	–	–	450
Vehicles	1	48 Months	46 Months	1	1	–	1

March 31, 2022

Right-of use assets	No of right-of use assets leased	Range of remaining term	Average remaining lease term	No of leases with extension options	No of leases with purchase options	No of leases with variable payments linked to an index	No of leases with termination options
Office building	106	1 Months- 78 Months	7 Months- 46 Months	106	–	–	106

2 Additional information on the Right-Of-Use assets by class of assets is as follows:

March 31, 2023

Right-of use assets	Carrying amount as on April 1, 2022	Additions	Depreciation	Impairment	Carrying amount as on March 31, 2023
Office building	619.65	1,256.53	603.82	45.96	1,226.40
Vehicles	–	80.69	6.14	–	74.55

March 31, 2022

Right-of use assets	Carrying amount as on April 1, 2021	Additions	Depreciation	Impairment	Carrying amount as on March 31, 2022
Office building	785.44	137.59	289.72	13.66	619.65

3 Lease liabilities are presented in the statement of financial position as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Current	651.47	250.95
Non-current	758.75	477.71
Total	**1,410.22**	**728.66**

4 At March 31, 2023 the Group had not committed to leases which had not commenced.

5 The undiscounted maturity analysis of lease liabilities is as follows:

March 31, 2023

Particulars	Less than 1 year	1-2 year	2-3 year	More than 3 years
Lease payments	772.71	430.44	230.81	213.25
Finance charges	121.25	61.77	31.45	22.52
Net present values	**651.46**	**368.67**	**199.36**	**190.73**

(All amounts in ₹ lakhs, unless otherwise stated)

March 31, 2022

Particulars	Less than 1 year	1-2 year	2-3 year	More than 3 years
Lease payments	316.29	238.39	147.08	181.06
Finance charges	65.34	40.01	25.27	23.54
Net present values	**250.95**	**198.38**	**121.81**	**157.52**

6 The Group has elected not to recognise a lease liability for short term leases (leases of expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognised as lease liabilities and are expensed as incurred.

7 The Group had total cash outflows for leases of ₹ 2,198.22 Lakhs in March 31, 2023 (March 31, 2022: ₹ 2,074.13 Lakhs).

The following are the amounts recognised in profit or loss:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation expense of right-of-use assets	609.96	331.62
Interest expense on lease liabilities	141.07	87.66
Expense relating to short-term leases (included in other expenses)	1,480.76	1,661.98
Total amount recognised in profit or loss	**2,231.79**	**2,081.26**

The Group had lease contracts for for office buildings used in its operations. Leases of these buildings generally have lease terms between 1 and 9 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets.

The Group has several lease contracts that include extension, termination options, non financial restrictions and non financial covenants. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

The Group does not have any lease contracts that contains variable payments.

The Group does not anticipate any material leases to be terminated in next three years or beyond that.

Operating leases

The Group has taken on lease certain assets under operating lease arrangements. The contractual future minimum lease payment obligation in respect of these leases are as under:

Office premises

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Short term leases	794.84	1,923.90

Operating leases as lessor

The Group has given certain premises under operating lease arrangements. The contractual future minimum lease income in respect of these leases are as under:

Particulars	As at March 31, 2023	As at March 31, 2022
Minimum lease receipts:		
- within one year	20.86	12.63
- Later than one year but not later than two years	0.73	–

(All amounts in ₹ lakhs, unless otherwise stated)

Note 50 : Segment information

The Group operates in a single reportable segment i.e. financing, which has similar risks and returns for the purpose of Ind AS 108 “Operating segments”, is considered to be the only reportable business segment. the Group derives its major revenues from financing activities and its customers are widespread. Further, the Group operates only in India which is considered as a single geographical segment.

Note 51 : Contingent liabilities and commitments: (to the extent not provided for)

i) The Parent Company has received income tax notice under section 143(3) of the Income Tax Act 1961 dated April 05, 2021 for tax demand amounting to ₹ 194.63 lakhs on account of disallowance of expenses under section 43B and 36(1)(va) for assessment year 2018-19. In response to such notice, the company had filed rectification under section 154 and correspondingly received the order under said section dated March 12, 2023 from asessing office reducing the demand to ₹ 64.96 lakhs. The company has also filed an appeal with CIT (A) against such demand which is pending for hearing.

ii) The Parent Company has received income tax notice under section 143(3) of the Income Tax Act, 1961 dated September 24, 2022 for tax demand amounting to ₹ 67.35 lakhs on account of disallowance under section 14A for assessment year 2020-21. In response to such notice, the company has filed an appeal with CIT (A) against such demand which is pending for hearing.

iii) The Parent Company has received income tax notice under section 143(1) and 143(3) of the Income Tax Act, 1961 dated September 22, 2022 and December 20, 2022 respectively for tax demand amounting to ₹ 389.40 lakhs on account of disallowance under section 41 and section 14A for assessment year 2021-22. In response to such notice, the company has filed an appeal with CIT (A) against such demand which is pending for hearing.

Particulars	As at March 31, 2023	As at March 31, 2022
Estimated amount of contract remaining to be executed on capital account and not provided for	–	57.14
The Group has undrawn exposure towards borrowers	4,210.80	1,417.67
Total	**4,210.80**	**1,474.81**

Note 52 : Assets pledged/hypothecated as security

The carrying amounts of assets pledged/hypothecated as security are:

Particulars	As at March 31, 2023	As at March 31, 2022
Loan assets	396,710.26	409,913.97
Vehicles*	156.02	117.08
Land & Buildings	150.36	157.73
Total assets pledged as security	**397,016.64**	**410,188.78**

*This excludes right of use asset of ₹ 74.55 (March 31, 2022 : Nil).

Note 53 : Recent accounting pronouncements:

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 “Presentation of Financial Statements”

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Group has evaluated the amendment and the impact of the amendment is insignificant in the consolidated financial statements.

(All amounts in ₹ lakhs, unless otherwise stated)

Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors"

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Group has evaluated the amendment and there is no impact on its consolidated financial statements.

Ind AS 12 "Income Taxes"

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1,2023. The Group has evaluated the amendment and there is no impact on its consolidated financial statement.

Note 54 : Interest in other entities

Subsidiaries

Name of entities	Country of incorporation	Functional currency	Ownership interest held by the Group		Principal activities
			As at March 31, 2023	As at March 31, 2022	
Taraashna Financial Services Limited*	India	INR	–	100.00%	Business correspondent
Satin Housing Finance Limited	India	INR	100.00%	100.00%	Financing
Satin Finserv Limited*	India	INR	100.00%	100.00%	Financing

*The Board of Directors of Taraashna Financial Services Limited ("TFSL") and Satin Finserv Limited ("SFL"), in their respective meetings held on August 03, 2021, have considered and approved the Scheme of Arrangement for Amalgamation of TFSL ("Transferor Company") with SFL ("Transferee Company") and their respective shareholders and creditors ('Scheme') under Sections 230 to 232 of the Companies Act, 2013 ("Act") and other applicable provisions of the Act and rules made thereunder. Consequently, the first motion application was filed before Hon'ble National Company Law Tribunal ("NCLT"), Chandigarh Bench after obtaining requisite NOCs from shareholders and creditors of TFSL and SFL. The said first motion application was reserved and allowed by the said Hon'ble NCLT on hearing dated April 6, 2022. The said order was pronounced on hearing dated May 17, 2022 by Hon'ble NCLT. Both the companies filed joint second motion application with Hon'ble NCLT on May 25, 2022. The said joint second motion application was admitted by Hon'ble NCLT in its hearing dated July 08, 2022 and issued necessary directions of serving notices and newspapers advertisements. Both the companies have served the notices to government authorities and completed publication in requisite newspapers as per order. The Hon'ble NCLT vide its order dated January 31, 2023 has approved the scheme of amalgamation and the necessary form has been filed to the Registrar of Companies on March 1, 2023 which is considered as effective date and accordingly accounting effect as per the scheme has been given in the books of account of SFL.

Due to the said amalgamation, SFL which is registered as a Non-Banking Financial Company (NBFC) is not fulfilling principal business criteria laid down by Reserve Bank of India (RBI). As per the criterias, atleast 50% of total assets of SFL should be financial assets and atleast 50% of the gross income should be from financial activities. SFL meets the first criteria, but does not meets the second criteria as on March 31, 2023. However, RBI vide letter dated July 22, 2022 has granted time till March 31, 2024 for fulfilling the said criteria.

Subsidiary with material non-controlling interests (NCI)

No subsidiary company has non-controlling interests that are material to the group for the year ended March 31, 2023 and March 31, 2022.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Note 55 : Additional information in pursuant to Schedule III of the Companies Act, 2013

Name of the entity in the group	Net assets (total assets minus total liabilities)		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit and loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent Company								
Satin Creditcare Network Limited	117.54%	191,371.68	5491.87%	26,432.92	92.17%	(1,904.81)	–1547.16%	24,528.11
Indian subsidiaries								
Taraashna Financial Services Limited*	0.00%	–	0.00%	–	0.00%	–	0.00%	–
Satin Housing Finance Limited	8.94%	14,556.16	123.07%	592.36	7.44%	(153.66)	–27.67%	438.70
Satin Finserv Limited*	8.46%	13,767.52	125.97%	606.30	0.40%	(8.20)	–37.73%	598.10
Elimination	–34.94%	(56,882.90)	–5640.91%	(27,150.27)	–	–	1712.56%	(27,150.27)
Total	**100.00%**	**162,812.46**	**100.00%**	**481.31**	**100.00%**	**(2,066.67)**	**100.00%**	**(1,585.36)**

(All amounts in ₹ lakhs, unless otherwise stated)

Form AOC - 1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries

Part- A Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹ Lakhs)

S.No.	1	2	3
Name of subsidiary	**Taraashna Financial Services Limited***	**Satin Housing Finance Limited**	**Satin Finserv Limited***
The date since when subsidiary was acquired	September 01, 2016	April 17, 2017	August 10, 2018
Reporting period for the subsidiary concerned, if different from the Parent Company's reporting period :-	NA	NA	NA
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries :-	NA	NA	NA
Share capital	NA	11,340.00	14,051.49
Other equity	NA	3,216.16	(283.97)
Total assets	NA	48,298.83	32,918.85
Total Liabilities	NA	33,742.67	19,151.33
Investments	NA	Nil	Nil
Revenue	NA	6,187.21	10,650.69
Profit /(loss) before taxation	NA	784.18	821.40
Tax expenses	NA	191.82	215.10
Profit /(loss) after taxation	NA	592.36	606.30
Other comprehensive income	NA	(153.66)	(8.20)
Total comprehensive income	NA	438.70	598.10
Proposed dividend	NA	Nil	Nil
Extent of shareholding (in percentage)	NA	100%	100%

i) Names of subsidiaries which are yet to commence operations: N.A.

ii) Names of subsidiaries which have been liquidated or sold during the year - Taraashna Financial Services Limited got merged with Satin Finserv Limited w.e.f. March 1, 2023.

(All amounts in ₹ lakhs, unless otherwise stated)

Note 56 : Employee Stock Option Plan / Scheme (ESOP/ ESOS)

Pursuant to the approval accorded by Shareholders of Satin Creditcare Network Limited (Company) at their Annual General Meeting held on July 6, 2017, the Nomination and Remuneration Committee of the Parent Company formulated a new scheme 'Satin Employee Stock Option Scheme 2017' (ESOS 2017) in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (or any amendment thereto or any other provisions as may be applicable). ESOS is applicable to all permanent and full-time employees (as defined in the Plan), excluding Promoters of the Parent Company. The eligibility of employees to receive grants under the Plan has to be decided by the Nomination and Remuneration Committee from time to time at its sole discretion. Vesting of the options and vesting period shall take place in the manner determined by the Nomination and Remuneration Committee at the time of grant. Vesting of options shall be subject to the condition that the Grantee shall be in continuous employment with the Parent Company or its subsidiaries and such other conditions as provided under ESOS 2017. The Exercise Price of each grant is determined by the Nomination and Remuneration Committee at the time of grant.

Presently, stock options have been granted or shares have been issued under the following scheme:

A. Satin Employee Stock Option Scheme 2009 (ESOS 2009)

B. Satin Employee Stock Option Scheme 2017 (ESOS 2017)

a) Employee stock option schemes:

ESOS 2009: Initially 425,000 equity shares of ₹ 10/- each at a premium of ₹ 10/- each were allotted to Satin Employees Welfare Trust on November 27, 2009. (This scheme was terminated vide Shareholders Resolution dated July 6, 2017)

Details of grant and exercise of such options are as follows:

Particulars	Grant – 1 of ESOS 2009			Grant – 2 of ESOS 2009			Grant – 3 of ESOS 2009		
No. of options granted	150,000			98,300			87,900		
Date of grant of options	January 12, 2010			December 2, 2013			December 2, 2016		
No. of employee to whom such options were granted	2			29			36		
Financial year (F.Y.)	F.Y. 2010-11	F.Y. 2011-12	F.Y. 2012-13	F.Y. 2014-15	F.Y. 2015-16	F.Y. 2016-17	F.Y. 2017-18	F.Y. 2018-19	F.Y. 2019-20
No. of employees who have exercised the option	2	2	2	25	23	23	22	18	15
No. of options exercised	50,000	50,000	50,000	25,824	22,633	27,243	21,100	19,300	13,300

Note: There was NIL options vested in F.Y. 2013-14.

Satin ESOP 2010: 100,000 equity shares of ₹ 10/- each at a premium of ₹ 12/- were allotted to Satin Employees Welfare Trust on June 22, 2010 (The scheme was terminated vide Shareholders Resolution dated July 6, 2017 and the outstanding options were transferred to Satin ESOS 2017).

Satin ESOP II 2010: 150,000 equity shares of ₹ 10/- each at a premium of ₹ 15/- were allotted to Satin Employees Welfare Trust on April 21, 2011 (The scheme was terminated vide Shareholders Resolution dated July 6, 2017 and the outstanding options were transferred to Satin ESOS 2017).

ESOS Scheme 2017: All options not exceeding 3,61,400 representing 0.96% of the paid-up Capital of the Parent Company as on March 31, 2017 (or such other adjusted figure for any bonus, stock splits or consolidations or other reorganization of the capital structure of the Parent Company as may be applicable from time to time including the shares lying with the Trust that may remain unutilized pursuant to non-exercisability of options granted under Satin ESOS 2009, 2010 (I) and 2010 (II), to or for the benefit of permanent employees of the Parent Company and its subsidiaries whether working in India or outside India. The said ESOS Scheme, 2017 were approved in twenty seventh Annual General Meeting of the Parent Company held on July 6. 2017.

(All amounts in ₹ lakhs, unless otherwise stated)

Details of grant and exercise of such options are as follows:

Particulars	Grant – 1 of ESOS 2017			Grant – 2 of ESOS 2017		
No. of options granted	145,200			226,600		
Date of grant of options	August 14, 2017			May 30, 2018		
No. of employee to whom such options were granted	57			35		
Financial year (F.Y.)	F.Y. 2018-19	F.Y. 2019-20	F.Y. 2020-21	F.Y. 2019-20	F.Y. 2020-21	F.Y. 2021-22
No. of employees who have exercised the option	18	27	Nil	13	Nil	NA
No. of options exercised	12,200	13,500	Nil	20,950	Nil	NA

b) The Parent Company has provided following share based options to its employees:

Particulars	ESO2009	ESOS 2017
Date of grant	January 12, 2010, December 2, 2013 and December 2, 2016	August 14, 2017 and May 30, 2018
Date of board meeting, where ESOP/ESOS were approved	November 27, 2009	May 26, 2017
Date of committee meeting where grant of options were approved	January 12, 2010 November 12, 2013 and November 09, 2016	August 14, 2017 and May 30, 2018
Date of shareholders' approval	June 1, 2009	July 06, 2017
No. of options granted	336,200 out of 425,000	3,71,800
Method of settlement	Equity	Share/Cashless route
Vesting conditions	The actual vesting of options will depend on continuation to hold the services being provided to the Parent Company at the time of exercise of options and such other conditions as mentioned in the ESOS Scheme.	The actual vesting of options will depend on continuation to hold the services being provided to the Parent Company at the time of exercise of options and such other conditions as mentioned in the ESOS Scheme, 2017.
Vesting period	Option will be vested at the end of year 1 – 33.33% end of year 2 – 33.33% end of year 3 – 33.34% end of year Subject to lock in period of one year from the date of transfer of shares and other terms as stipulated in the Scheme and prescribed under the law in force.	Grant 1 of ESOS 2017 Option will be vested at the end of year 1 – 33.33% end of year 2 – 33.33% end of year 3 – 33.34% end of year Grant 2 of ESOS 2017 Option will be vested at the end of year 1 – 50% end of year 2 – 50% end of year
Exercise period	It shall commence from the date of vesting of options and expire not later than 2 months from the vesting date of each grant of options	It shall commence from the date of vesting of options and expire not later than 1 Year from the vesting date of each grant of options

Note: ESOS 2009 scheme was repealed in terms of Resolution passed by the Shareholders at their meeting held on July 6, 2017.

Details of Vesting and Exercise of Options (ESOS 2009):

Vesting Date	Vested options	No of options exercised
January 12, 2011	50,000	50,000
January 12, 2012	50,000	50,000
January 12, 2013	50,000	50,000
December 2, 2014	29,090	25,824
December 2, 2015	29,100	22,633
December 2, 2016	29,110	27,243
December 2, 2017	22,300	21,100
December 2, 2018	19,300	19,300
December 2, 2019	13,300	13,300

Notes to the Consolidated Financial Statements
for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Details of Vesting and Exercise of Options (Grant 1 of ESOS 2017):

Vesting Date	Vested options	No of options exercised
August 14, 2018	21,400	12,200
August 14, 2019	15,800	13,500
August 14, 2020*	11,400	–

* These options are available for exercise till August 13, 2021

Details of Vesting and Exercise of Options (Grant 2 of ESOS 2017):

Vesting Date	Vested options	No of options exercised
May 30 2019	105,050	20,950
May 30 2020	96,850	–

* These options were available for exercise till May 29, 2021

i) The details of ESOS Scheme 2017 are summarized below:

Particulars	As at March 31, 2023		As at March 31, 2022	
	ESOS 2017		ESOS 2017	
	No. of options	Weighted average exercise price	No. of options	Weighted average exercise price
Outstanding options at the beginning of the year	–	–	79,300	At a discount/ premium on fair value
Exercised during the year	–	–	–	160
Number of shares arising as a result of exercise of options	–	–	–	160
Expired/ lapsed during the year under ESOS Scheme, 2017	–	–	79,300	160
Options expired/ lapsed under earlier ESOP Scheme's (adjusted)*	–	–	–	–
Outstanding options at the end of the year	–	–	–	–
Exercisable at the end of the year	–	–	–	–
Weighted average remaining contractual life (in years) of the option exercisable	–	–	–	–
Weighted average fair value of the options exercisable at grant date	Grant -1	–	Grant -1	–
	Grant -2	–	Grant -2	–
Loan repaid by the Trust during the year from exercise price received (amount in Lakhs)	–	–	–	–

* Outstanding Options of previous ESOS schemes has been transferred to new ESOS scheme 2017

ii) Weighted average exercise price (fair market value) of share during the year ended March 31, 2023: NA (March 31, 2022: NA).

The detail of exercise price for stock option at the end of the financial year 2022-2023 is:

Series	Range of exercise price	No. of options outstanding for Exercise	Weighted average remaining contractual life of options (in years)	Weighted average exercise price	Remarks
Grant-3 ESOS 2009	20/- per option	–	–	20	Scheme Repealed
Grant-1 ESOS Scheme 2017	160/- per option	–	0.00	160	New Scheme
Grant-2 ESOS Scheme 2017	160/- per option	–	0.00	160	New Scheme

(All amounts in ₹ lakhs, unless otherwise stated)

iii) The fair value of the options granted is determined on the date of the grant using the "Black-Scholes option pricing model" with the following assumptions, as certified by an independent valuer:

Particulars	Grant 3 ESOS 2009	Grant 1 ESOS 2017			Grant 2 ESOS 2017	
	3rd tranche of vesting	1st tranche of vesting	2nd tranche of vesting	3rd tranche of vesting	1st tranche of vesting	2nd tranche of vesting
Date of grant	December 2, 2016	August 14, 2017	August 14, 2017	August 14, 2017	May 30, 2018	May 30, 2018
Fair market value of option on the date of grant	438.40	267.38	267.38	267.38	386.65	386.65
Exercise price	20.00	160.00	160.00	160.00	160.00	160.00
Expected volatility (%)	60.39%	55.86%	62.90%	62.90%	45.31%	53.94%
Expected option life (weighted average)	3.08	1.50	2.50	3.50	1.50	2.50
Expected dividends yield	–	–	–	–	–	–
Risk free interest rate (%)	6.03%	6.35%	6.40%	6.45%	7.53%	7.66%

The expected volatility was determined based on historical volatility data of the Parent Company's shares listed on the National Stock Exchange of India Limited.

iv) The Parent Company has recognized share based payment expense of ₹ NIL (March 31, 2022: Nil) during the year as proportionate cost.

v) The Parent Company has ₹ 169.69 Lakhs (March 31, 2022: ₹ 169.69 Lakhs) recoverable from Satin Employees Welfare Trust pursuant to ESOP schemes.

Note 57 :

Additional information pursuant to Ministry of Corporate Affairs notification dated March 24, 2021 with respect to amendments in Schedule III of Companies Act, 2013

(i) All the borrowings of the group are used for the specific purpose for which it was taken.

(ii) There are no proceedings which have been initiated or pending against any company of the group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(iii) No company in the group is a wilful defaulter as declared by any bank or financial Institution or any other lender.

(iv) The group reviews transactions on an ongoing basis to identify if there are any transactions with struck off companies. To the extent information is available on struck off companies, there are no transactions with struck off companies except as mentioned below.

Name of the company	Nature of transaction	Amount of transaction	Balance outstanding	Relationship
Mekhal Hospitality Services Pvt. Ltd.	Tour & Travel Expense	0.03	Nil	None
KYR Broadband Service Pvt. Ltd.	Internet charges	0.09	Nil	None

(v) The group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

(vi) With respect to Companies in the Group, there are no transactions which are not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(vii) The group has not traded or invested in Crypto currency or Virtual Currency during the year.

(All amounts in ₹ lakhs, unless otherwise stated)

Note 58 :

Previous year figures have been regrouped/rearranged, wherever considered necessary, to conform to the classification/disclosure adopted in the current year.

For **S S Kothari Mehta & Company**
Chartered Accountants
Firm's Registration No. 000756N

Naveen Aggarwal
Partner
Membership Number: 094380

Place: Gurugram
Date: April 29, 2023

For and on behalf of the Board of Directors
Satin Creditcare Network Limited

Harvinder Pal Singh
(Chairman cum Managing Director)
DIN: 00333754

Satvinder Singh
(Director)
DIN: 00332521

Sanjay Kumar Bhatia
(Chairman Audit Committee cum Director)
DIN: 07033027

Rakesh Sachdeva
(Chief Financial Officer)

Vikas Gupta
(Company Secretary & Compliance Officer)
Membership Number: A24281

Place: Gurugram
Date: April 29, 2023

Report on Review of the Unaudited Interim Condensed Standalone Financial Statements

To
The Board of Directors
Satin Creditcare Network Limited
Plot No. 492, Udyog Vihar, Phase – III,
Gurugram, Haryana – 122016, India.

1. We have reviewed the accompanying Unaudited Interim Condensed Standalone Financial Statements of Satin Creditcare Network Limited ("the Company"), which comprise the Unaudited Interim Condensed Standalone Balance Sheet as at September 30, 2023 and the Unaudited Interim Condensed Standalone Statement of Profit and Loss, including other comprehensive income, Unaudited Interim Condensed Standalone Cash Flow Statement and the Unaudited Interim Condensed Standalone Statement of Changes in Equity for the period April 01, 2023 to September 30, 2023 then ended and a summary of selected explanatory notes (including the comparative financial information as at March 31, 2023 and for the period April 01, 2022 to September 30, 2022) (together hereinafter referred to as the "Unaudited Interim Condensed Standalone Financial Statements"/ Statement). The Unaudited Interim Condensed Standalone Financial Statements have been prepared by the Company solely in connection with the proposed issuance of equity shares of the Company in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended and other applicable laws.

Management's Responsibilities for the Unaudited Interim Condensed Standalone Financial Statements

2. These Unaudited Interim Condensed Standalone Financial Statements, being the responsibility of the Company's Management, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 as amended (the "Act"), read with relevant Rules issued thereunder and other accounting principles generally accepted in India and is approved by the Board of Directors of the Company. Our responsibility is to issue a report on the Unaudited Interim Condensed Standalone Financial Statements based on our review.

Auditor's Responsibilities

3. We conducted our review of the Unaudited Interim Condensed Standalone Financial Statements in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India ("the ICAI"). This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

4. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

5. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement has not been prepared in all material respects in accordance with the recognition and measurement principles laid down in Ind AS 34 "Interim Financial Reporting" and other recognized accounting practices and policies generally accepted in India.

Restriction on Use

6. This report is addressed to the Board of Directors of the Company and has been prepared solely for the purposes of submission to BSE Limited, National Stock Exchange of India Limited ("Stock Exchanges") or any other authority as may be required under applicable laws and also for including it in the preliminary placement document and placement document, to be filed by the Company with the Securities and Exchange Board of India, Stock Exchanges and the Registrar of the Companies, National Capital Territory of Delhi and Haryana in Delhi, in connection with the proposed issuance of the Securities of the Company. This report should not be otherwise used or shown to or distributed or otherwise made available to any party or used for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come.

For S S Kothari Mehta & Co
Chartered Accountants
Firm's Registration No. 000756N

Naveen Aggarwal
Partner
Membership No. 094380
UDIN: 23094380BGUNGA6015

Place: Gurugram
Date: December 14, 2023

SATIN CREDITCARE NETWORK LIMITED
Unaudited Interim Condensed Standalone Balance Sheet as at September 30, 2023
(All amounts in ₹ lakhs, unless otherwise stated)

	Notes	As at September 30, 2023	As at March 31, 2023
ASSETS			
Financial Assets			
Cash and cash equivalents	3	50,615.12	21,335.16
Bank balances other than cash and cash equivalents	4	88,758.87	81,540.28
Derivative financial instruments		2,385.98	2,231.64
Trade receivables		363.18	241.12
Loans	5	661,190.58	568,421.19
Investments		84,815.99	74,151.81
Other financial assets		8,122.25	1,606.69
		896,251.97	**749,527.89**
Non-financial Assets			
Current tax assets (net)		5,713.97	3,321.63
Investment Property		648.04	664.26
Property, plant and equipment		8,362.35	8,328.99
Other intangible assets		114.01	144.66
Other non-financial assets		2,928.65	2,552.22
		17,767.02	**15,011.76**
TOTAL ASSETS		**914,018.99**	**764,539.65**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Payables			
Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		66.37	198.23
Other payables			
(i) total outstanding dues of micro enterprises and small enterprises		320.20	23.87
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1,646.30	1,125.93
Debt securities	6	81,922.60	109,144.08
Borrowings (other than debt securities)	7	566,488.49	400,477.70
Subordinated liabilities	8	27,989.13	35,126.25
Other financial liabilities		9,958.61	25,542.79
		688,391.70	**571,638.85**
Non-financial Liabilities			
Provisions		798.63	703.85
Deferred tax liabilities (net)		6,238.24	245.64
Other non-financial liabilities		742.00	579.63
		7,778.87	**1,529.12**
EQUITY			
Equity share capital	9	9,920.66	8,479.63
Other equity	10	207,927.76	182,892.05
		217,848.42	**191,371.68**
TOTAL LIABILITIES AND EQUITY		**914,018.99**	**764,539.65**

Company overview and Basis of preparation	1-2		

This interim condensed standalone Balance Sheet referred to in our report of even date.

For **S S Kothari Mehta & Co**
Chartered Accountants
Firm's Registration No. 000756N

For and on behalf of the Board of Directors
Satin Creditcare Network Limited

Naveen Aggarwal
Partner
Membership Number: 094380

Harvinder Pal Singh
(Chairman cum Managing Director)
DIN: 00333754

Rakesh Sachdeva
(Chief Financial Officer)

Place : Gurugram
Date : December 14, 2023

Place : Gurugram
Date : December 14, 2023

SATIN CREDITCARE NETWORK LIMITED

Unaudited Interim Condensed Standalone Statement of Profit and Loss for the half year ended September 30, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

	Notes	For the half year ended September 30, 2023	For the half year ended September 30, 2022
I. Income			
Revenue from operations			
Interest income	11	79,275.97	55,771.76
Dividend income		-	0.17
Rental income		62.85	43.53
Fees and commission income	12	1,066.28	1,055.07
Net gain on fair value changes		284.95	36,511.05
Net gain on derecognition of financial instruments		9,862.48	5,203.32
Other operating income		323.92	101.66
Total Revenue from operations		**90,876.45**	**98,686.56**
Other income		36.04	17.33
Total Income		**90,912.49**	**98,703.89**
II. Expenses			
Finance costs	13	37,042.47	28,531.91
Impairment on financial instruments	14	4,438.62	33,506.94
Employee benefit expenses		17,354.84	15,709.51
Depreciation and amortisation expense		921.85	568.99
Other expenses		5,832.94	6,275.62
Total		**65,590.72**	**84,592.97**
Profit before tax		**25,321.77**	**14,110.92**
Tax expense:			
Current tax		-	-
Deferred tax charge		6,403.77	2,630.72
Total tax expenses		**6,403.77**	**2,630.72**
Profit after tax		**18,918.00**	**11,480.20**
Other comprehensive income			
Items that will not be reclassified to profit and loss		(1,934.19)	(40.71)
Income tax relating to items that will not be reclassified to profit and loss		486.80	10.25
	A	**(1,447.39)**	**(30.46)**
Items that will be reclassified to profit and loss		300.52	173.68
Income tax relating to items that will be reclassified to profit and loss		(75.63)	(43.71)
	B	**224.89**	**129.97**
Other comprehensive income	**A+B**	**(1,222.50)**	**99.51**
Total comprehensive income		**17,695.50**	**11,579.71**
Earnings per equity share (face value of ₹ 10 per equity share)	15		
Basic (₹)		20.61	15.29
Diluted (₹)		20.61	14.31
Company overview and Basis of preparation	1-2		

This interim condensed standalone Statement of Profit and Loss referred to in our report of even date.

For S S Kothari Mehta & Co
Chartered Accountants
Firm's Registration No. 000756N

For and on behalf of the Board of Directors
Satin Creditcare Network Limited

Naveen Aggarwal
Partner
Membership Number: 094380

Harvinder Pal Singh
(Chairman cum Managing Director)
DIN: 00333754

Rakesh Sachdeva
(Chief Financial Officer)

Place : Gurugram
Date : December 14, 2023

Place : Gurugram
Date : December 14, 2023

SATIN CREDITCARE NETWORK LIMITED

Unaudited Interim Condensed Standalone cash flow statement for the half year ended September 30, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

	For the half year ended September 30, 2023	For the half year ended September 30, 2022
A Cash flow from operating activities		
Profit before tax	25,321.77	14,110.92
Adjustments for:		
Depreciation and amortisation	493.43	491.75
Depreciation of right-of-use assets	428.42	77.24
Net loss on derecognition of property, plant and equipment	14.34	2.89
Fair value gain on mutual funds	(201.67)	(208.86)
Loss/(gain) on fair valuation of subsidiaries	69.88	(35,101.76)
Unrealised gain on fair value changes of derivatives and investments	(153.16)	(1,200.43)
Property, plant and equipment written off	-	1.30
Impairment on financial instruments	4,438.62	33,506.94
Dividend income	-	(0.17)
Gain on sale of loan portfolio through assignment	(9,862.48)	(5,203.32)
First loss default guarantee (reversal) / expenses	(433.65)	(12.91)
Effective interest rate adjustment for financial instruments	997.86	911.39
Interest expense for leasing arrangements	90.75	25.45
Net gain on termination of leases	(12.21)	-
Corporate guarantee premium income	(23.83)	(17.33)
Unrealised exchange fluctuation loss (net)	434.73	491.57
Operating profit before working capital changes	**21,602.80**	**7,874.67**
Movement in working capital		
(Increase)/decrease in trade receivables	(122.06)	30.26
Increase in loans	(85,474.04)	(26,748.15)
(Increase) / decrease in fixed deposits	(7,218.59)	2,574.32
(Increase) / decrease in other financial assets	(6,510.10)	481.26
Increase in other non-financial assets	(376.43)	(216.32)
Increase / (decrease) in trade and other payables	684.84	(431.59)
(Decrease) / Increase in other financial liabilities	(15,126.70)	7,731.59
Increase / (decrease) in provisions	38.15	(91.57)
Increase / (decrease) in other non-financial liabilities	162.37	(5.91)
Cash used in from operating activities post working capital changes	**(92,339.76)**	**(8,801.44)**
Income taxes paid (net)	(2,392.34)	(1,904.38)
Net cash used in operating activities (A)	**(94,732.10)**	**(10,705.82)**
B Cash flows from investing activities		
Purchase of property, plant and equipment	(409.68)	(500.50)
Proceeds from sale of property, plant and equipment	18.41	9.03
Investment made in subsidiaries	(6,500.00)	(1,999.95)
Dividend income	-	0.17
Purchase of investments	(523,836.13)	(272,528.36)
Sale of investments	516,348.56	265,652.34
Net cash used in investing activities (B)	**(14,378.84)**	**(9,367.27)**
C Cash flows from financing activities		
Proceeds from issue of share capital and share warrants (including premium and net of share issue expenses)	8,781.24	2,500.00
Proceeds from debt securities	19,386.62	9,483.23
Repayment of debt securities	(46,824.32)	(25,500.70)
Proceeds from borrowings other than debt securities	354,805.44	171,771.72
Repayment of borrowings other than debt securities	(190,106.28)	(191,562.60)
Lease payments	(499.41)	(102.42)
Repayment of subordinated liabilities	(7,152.39)	(7,684.89)
Net cash generated from/(used in) financing activities (C)	**138,390.90**	**(41,095.66)**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	29,279.96	(61,168.75)
Cash and cash equivalents at the beginning of the year	21,335.16	85,482.03
Cash and cash equivalents at the end of the half year	**50,615.12**	**24,313.28**

SATIN CREDITCARE NETWORK LIMITED

Unaudited Interim Condensed Standalone cash flow statement for the half year ended September 30, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

	For the half year ended September 30, 2023	For the half year ended September 30, 2022
Notes:		
Cash and cash equivalents	50,615.12	60,096.37
Less: Overdraft facility against term deposits	-	(35,783.09)
	50,615.12	**24,313.28**

Company overview and Basis of preparation 1-2

This interim condensed standalone Statement of Cash Flow referred to in our report of even date.

For S S Kothari Mehta & Co
Chartered Accountants
Firm's Registration No. 000756N

For and on behalf of the Board of Directors
Satin Creditcare Network Limited

Naveen Aggarwal
Partner
Membership Number: 094380

Harvinder Pal Singh
(Chairman cum Managing Director)
DIN: 00333754

Rakesh Sachdeva
(Chief Financial Officer)

Place : Gurugram
Date : December 14, 2023

Place : Gurugram
Date : December 14, 2023

SATIN CREDITCARE NETWORK LIMITED
Unaudited Interim Condensed Standalone Statement of changes in equity for the half year ended September 30, 2023
(All amounts in ₹ lakhs, unless otherwise stated)

A. Equity share capital (Refer note 9)

September 30, 2023

Particulars	Balance as at April 1, 2023	Changes in Equity Share Capital due to prior period errors	Restated balance at April 1, 2023	Changes during the half year	Balance as at September 30, 2023
Equity share capital	**8,479.63**	-	**8,479.63**	1,441.03	**9,920.66**

March 31, 2023

Particulars	Balance as at April 1, 2022	Changes in Equity Share Capital due to prior period errors	Restated balance at April 1, 2022	Changes during the year	Balance as at March 31, 2023
Equity share capital	**7,459.12**	-	**7,459.12**	1,020.51	**8,479.63**

B. Other equity (Refer note 10)

Particulars	Reserves and Surplus						Equity instruments through other comprehensive income	Change in fair value of loan assets through other comprehensive income	Cash flow hedge reserve	Money received against share warrants	Total
	Statutory reserve fund	Securities premium	General reserve	Capital redemption reserve	Share options outstanding account	Retained earnings					
Balance as at April 1, 2022	**10,770.89**	**106,455.16**	**29.94**	**2,777.00**	**-**	**27,539.10**	**(5.00)**	**578.06**	**20.56**	**5,000.00**	**153,165.71**
Profit for the year	-	-	-	-	-	26,432.92	-	-	-	-	26,432.92
Other comprehensive income (net of tax)	-	-	-	-	-	(22.20)	(2,044.12)	182.07	(20.56)	-	(1,904.81)
Issue of equity shares (net of share issue expenses)	-	7,271.15	-	-	-	-	-	-	-	(8,291.67)	(1,020.52)
Issue of share warrants	-	-	-	-	-	-	-	-	-	6,218.75	6,218.75
Transfer to statutory reserves	5,286.58	-	-	-	-	(5,286.58)	-	-	-	-	-
Balance as at March 31, 2023	**16,057.47**	**113,726.31**	**29.94**	**2,777.00**	**-**	**48,663.24**	**(2,049.12)**	**760.13**	**-**	**2,927.08**	**182,892.05**
Profit for the half year	-	-	-	-	-	18,918.00	-	-	-	-	18,918.00
Other comprehensive income (net of tax)	-	-	-	-	-	(42.37)	(1,405.02)	224.89	-	-	(1,222.50)
Issue of equity shares (net of share issue expenses)	-	10,267.29	-	-	-	-	-	-	-	(11,708.32)	(1,441.03)
Issue of share warrants	-	-	-	-	-	-	-	-	-	8,781.24	8,781.24
Transfer to statutory reserves	3,783.60	-	-	-	-	(3,783.60)	-	-	-	-	-
Balance as at September 30, 2023	**19,841.07**	**123,993.60**	**29.94**	**2,777.00**	**-**	**63,755.27**	**(3,454.14)**	**985.02**	**-**	**-**	**207,927.76**

Company overview and Basis of preparation 1-2
This interim condensed standalone Statement of Changes in Equity referred to in our report of even date.

For S S Kothari Mehta & Co
Chartered Accountants
Firm's Registration No. 000756N

Naveen Aggarwal
Partner
Membership Number: 094380

Place : Gurugram
Date : December 14, 2023

For and on behalf of the Board of Directors
Satin Creditcare Network Limited

Harvinder Pal Singh
(Chairman cum Managing Director)
DIN: 00333754

Rakesh Sachdeva
(Chief Financial Officer)

Place : Gurugram
Date : December 14, 2023

SATIN CREDITCARE NETWORK LIMITED

Selected explanatory notes to the Unaudited Interim Condensed Standalone financial statements for the half year ended September 30, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

1 Company overview

Satin Creditcare Network Limited ('the Company') is a public limited company and incorporated under the provisions of Companies Act. The Company is a non-deposit accepting Non-Banking Financial Company ('NBFC-ND') and is registered as a Non-Banking Financial Company – Micro Finance Institution ('NBFC-MFI') with the Reserve Bank of India ("RBI") in November 2013. The Company is engaged primarily in providing micro finance services to women in the rural areas of India who are enrolled as members and organized as Joint Liability Groups ('JLG'). The Company is domiciled in India and its registered office is situated at 5th Floor, Kundan Bhawan, Azadpur Commercial Complex, New Delhi – 110033.

2 Basis of prepration

These Unaudited Interim Condensed Standalone Financial Statements of Satin Creditcare Network Limited ("the Company"), which comprise the Unaudited Interim Condensed Standalone Balance Sheet as at September 30, 2023 and the Unaudited Interim Condensed Standalone Statement of Profit and Loss, including other comprehensive income, Unaudited Interim Condensed Standalone Cash Flow Statement and the Unaudited Interim Condensed Standalone Statement of Changes in Equity for the period April 01, 2023 to September 30, 2023 then ended and a summary of selected explanatory notes (including the comparative financial information as at March 31, 2023 and for the period April 01, 2022 to September 30, 2022) (together hereinafter referred to as the "Unaudited Interim Condensed Standalone Financial Statements"/ Statement) have been prepared in accordance with the principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India.

The accounting policies and critical accounting estimates & judgements followed in the prepration of the Unaudited Interim Condensed Standalone Financial Statements are consistent with those followed in the preparation of financial statements for the year ended March 31, 2023.

The Unaudited Interim Condensed Standalone Financial Statements as at September 30, 2023 does not include all the information and disclosures Statements which were prepared as at March 31, 2023. However, selected explanatory notes are included to explain events and transactions financial position and performance since the last Audited Financial Statements.

These Unaudited Interim Condensed Standalone Financial Statements have been prepared for the purpose of inclusion in the Preliminary Placement Document and the Placement Document to be filed with the Securities and Exchange Board of India ("SEBI"), in connection with the proposed issuance of the equity shares of the Company in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended and other applicable laws.

These Unaudited Interim Condensed Standalone Financial Statements as at and for the half year ended September 30, 2023 along with the comparatives as mentioned above are approved and adopted by the Fund raising Committee of the Company in their meeting held on December 14, 2023.

SATIN CREDITCARE NETWORK LIMITED
Selected explanatory notes to the Unaudited Interim Condensed Standalone financial statements for the half year ended September 30, 2023
(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at September 30, 2023	As at March 31, 2023
3 Cash and cash equivalents		
Cash on hand	3,732.39	4,022.27
Balances with banks and financial institutions		
- Balance with banks in current accounts*	39,128.17	15,312.64
- Deposits for original maturity of less than 3 months	7,754.56	2,000.25
Total	**50,615.12**	**21,335.16**

*Balance in current accounts includes balance of ₹ 2.15 lakhs (March 31, 2023 : ₹ 2.15 lakhs) which is earmarked for unpaid dividend.

Particulars	As at September 30, 2023	As at March 31, 2023
4 Bank balances other than cash and cash equivalents		
Deposits for remaining maturity of more than 3 months and upto 12 months	8,064.40	4,213.98
Deposits with remaining maturity more than 12 months	759.80	935.46
Balance with banks and financial institutions to the extent held as margin money deposits against borrowings and guarantees	79,934.67	76,390.84
Total	**88,758.87**	**81,540.28**

Particulars	As at September 30, 2023		As at March 31, 2023	
5 Loans	**At fair value through other comprehensive income**	**At amortised cost**	**At fair value through other comprehensive income**	**At amortised cost**
Portfolio loans				
Secured	-	4,998.92	-	4,883.97
Unsecured	468,147.08	200,464.93	381,675.56	193,746.68
	468,147.08	**205,463.85**	**381,675.56**	**198,630.65**
Less: Impairment loss allowance	(10,135.95)	(2,284.40)	(10,039.34)	(1,845.68)
Sub-total	**458,011.13**	**203,179.45**	**371,636.22**	**196,784.97**
Total loans		**661,190.58**		**568,421.19**

Particulars	As at September 30, 2023	As at March 31, 2023
(i) Secured by tangible assets (property, plant and equipment including land and building)	963.72	962.26
(ii) Secured by book debts, inventories, margin money and other working capital items	3,658.53	3,082.64
(iii) Unsecured	656,568.33	564,376.29
Total	**661,190.58**	**568,421.19**

Loans in India		
(i) Public sector	-	-
(ii) Others	661,190.58	568,421.19
Total	**661,190.58**	**568,421.19**

#There are no loans or advances repayable on demand or without specifying any term or period of repayment to the related parties.

Particulars	**As at September 30, 2023**	**As at March 31, 2023**
6 Debt securities (at amortised cost)		
Secured Non-convertible debentures	76,225.00	103,446.77
Unsecured Non-convertible debentures	5,697.60	5,697.31
Total	**81,922.60**	**109,144.08**
Debt securities in India	81,922.60	109,144.08
Debt securities outside India	-	-
Total	**81,922.60**	**109,144.08**

Secured non-convertible debentures are redeemable as per maturity cycle till August 13, 2027 and are carrying interest rate ranging from 10.50% to 13.01% p.a.
Unsecured non-convertible debenture is redeemable as per maturity cycle till February 28, 2028 and is carrying interest rate of 12.16% p.a.

Particulars	**As at September 30, 2023**	**As at March 31, 2023**
7 Borrowings (other than debt securities) (at amortised cost)		
Term loans		
From banks		
Secured*	244,609.52	178,611.44
From other parties		
Secured#	126,209.11	65,167.07
External commercial borrowings		
Secured	54,591.82	21,285.26
Unsecured	12,373.55	19,613.23
Commercial paper (unsecured)	9,874.38	-
Liability against securitised assets (secured)	117,483.21	114,564.33
Liability against leased assets (unsecured)	1,346.90	1,236.37
Total	**566,488.49**	**400,477.70**
Borrowings in India	499,523.12	359,579.21
Borrowings outside India	66,965.37	40,898.49
Total	**566,488.49**	**400,477.70**

*Includes amount guaranteed by directors in their personal capacity of ₹ 1,25,804.57 lakhs (March 31, 2023 : ₹ 75,799.94 lakhs)
#Includes amount guaranteed by directors in their personal capacity of ₹ 86,780.09 lakhs (March 31, 2023 : ₹ 45,762.81 lakhs)

Particulars	**As at September 30, 2023**	**As at March 31, 2023**
8 Sub-ordinated liabilities (at amortised cost)		
Non-convertible debentures	7,989.13	12,626.25
Term loans from banks	20,000.00	22,500.00
Total	**27,989.13**	**35,126.25**
Sub-ordinated liabilities in India	27,989.13	35,126.25
Sub-ordinated liabilities outside India	-	-
Total	**27,989.13**	**35,126.25**

Unsecured non-convertible debentures are redeemable as per maturity cycle till April 24, 2027 and are carrying interest rate ranging from 13.14% to 15.50% p.a.

(All amounts in ₹ Lakhs, unless otherwise stated)

		As at September 30, 2023		As at March 31, 2023	
9	**Equity share capital**				
A	**Authorised**	**Number**	**Amount**	**Number**	**Amount**
	Equity share capital of face value of ₹ 10 each				
	At the beginning of the period	105,000,000	10,500.00	105,000,000	10,500.00
	Additions during the period	-	-	-	-
		105,000,000	**10,500.00**	**105,000,000**	**10,500.00**
B	**Issued and subscribed**				
	Equity share capital of face value of ₹ 10 each				
	At the beginning of the period	85,349,021	8,534.90	75,143,893	7,514.39
	Additions during the period	14,410,256	1,441.03	10,205,128	1,020.51
		99,759,277	**9,975.93**	**85,349,021**	**8,534.90**
C	**Issued and Paid-up**				
	Fully paid-up				
	Equity share capital of face value of ₹ 10 each				
	At the beginning of the period	85,224,125	8,522.41	75,018,997	7,501.90
	Additions during the period	14,410,256	1,441.03	10,205,128	1,020.51
		99,634,381	**9,963.44**	**85,224,125**	**8,522.41**
	Less: Amount recoverable from Satin Employees Welfare Trust	(482,946)	(48.29)	(482,946)	(48.29)
	(Equity shares of ₹ 10/- each allotted to the Satin Employees Welfare Trust)	**99,151,435**	**9,915.15**	**84,741,179**	**8,474.12**
	Add: Forfeited shares (amount originally paid on 1,24,896 equity shares (March 31, 2023: 1,24,896 equity shares)	-	5.51	-	5.51
		99,151,435	**9,920.66**	**84,741,179**	**8,479.63**
D	**Reconciliation of number of equity shares outstanding at the beginning and at the end of the period**				
	Balance at the beginning of the period	85,224,125	8,522.41	75,018,997	7,501.90
	Add: Issued during the period	14,410,256	1,441.03	10,205,128	1,020.51
		99,634,381	**9,963.44**	**85,224,125**	**8,522.41**
E	**Reconciliation of number of equity shares issued to Satin Employees Welfare Trust outstanding at the beginning and at the end of the period**				
	Balance at the beginning of the period	482,946	48.29	482,946	48.29
		482,946	**48.29**	**482,946**	**48.29**

F Rights, preferences and restrictions

The Company has only one class of equity shares having par face value of ₹ 10 per share. Each equity shareholder is eligible for one vote per fully paid share held. Any dividend, if proposed by the Board of Directors, is subject to the approval of shareholders. Dividend declared and paid would be in Indian rupees. In the event of liquidation of the Company, the holders of equity share will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders or in case of partly paid shares the paid-up amount.

G Details of shareholder holding more than 5% share capital:

	As at September 30, 2023		As at March 31, 2023	
Name of shareholder	**Number**	**%**	**Number**	**%**
Trishashna Holdings & Investments Private Limited (THIPL)	37,784,820	37.92%	31,579,692	37.05%
Florintree Ventures LLP	12,307,692	12.35%	-	0.00%
Nordic Microfinance Initiative Fund III KS	-	0.00%	4,663,136	5.47%

H Aggregate number of shares issued for consideration other than cash during the last five years

On June 27, 2019, the Company has allotted 1,343,283 equity shares of ₹ 10 each on conversion of 1,343,283, Optionally Convertible, Cumulative, Redeemable Preference Shares ("OCCRPS") of face value of ₹ 10 each fully paid-up to IndusInd Bank Limited (entities belonging to non-promoter group).

I Shareholdings of Promoters

Promoter Name	As at September 30, 2023		As at March 31, 2023		% Change during the year
	No. of Shares	% of Total Shares	No. of Shares	% of Total Shares	
Mrs. Anureet HP Singh	726,148	0.73%	726,148	0.85%	(0.12%)
Mr. Harbans Singh (deceased)	406,402	0.41%	406,402	0.48%	(0.07%)
Mr. Satvinder Singh	385,703	0.39%	385,703	0.45%	(0.06%)
Mrs. Neeti Singh	204,092	0.20%	204,092	0.24%	(0.04%)
Trishashna Holdings & Investments Private Limited	37,784,820	37.92%	31,579,692	37.05%	0.87%
Wisteria Holdings & Investments Private Limited	322,262	0.32%	322,262	0.38%	(0.06%)
Total	**39,829,427**	**39.97%**	**33,624,299**	**39.45%**	**0.52%**

10 Other equity

Particulars	**As at September 30, 2023**	**As at March 31, 2023**
Capital redemption reserve	2,777.00	2,777.00
Statutory reserve	19,841.07	16,057.47
General reserve	29.94	29.94
Securities premium	123,993.60	113,726.31
Retained earnings	63,755.27	48,663.24
Money received against share warrants	-	2,927.08
Other comprehensive income:		
Equity instruments through other comprehensive income	(3,454.14)	(2,049.12)
Changes in fair value of loan assets	985.02	760.13
Total	**207,927.76**	**182,892.05**

SATIN CREDITCARE NETWORK LIMITED
Selected explanatory notes to the Unaudited Interim Condensed Standalone financial statements for the half year ended September 30, 2023
(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	For the half year ended September 30, 2023			For the half year ended September 30, 2022		
	On financial assets measured at amortised cost	On financial assets measured classified at FVTPL	On financial assets measured classified at FVOCI	On financial assets measured at amortised cost	On financial assets measured classified at FVTPL	On financial assets measured classified at FVOCI
11 Interest income						
Interest income on portfolio loans	20,835.37	-	53,435.13	11,460.60	-	41,340.35
Interest income on deposits	2,854.45	-	-	2,089.93	-	-
Interest income on certificate of deposits, commercial papers, T-Bill and NCD's	-	261.26	-	-	123.24	-
Interest income on unwinding of assigned portfolio	1,889.76	-	-	757.64	-	-
Sub total	**25,579.58**	**261.26**	**53,435.13**	**14,308.17**	**123.24**	**41,340.35**
Total			**79,275.97**			**55,771.76**

Particulars	For the half year ended September 30, 2023	For the half year ended September 30, 2022
12 Fees and commission income		
Service fee and facilitation charges	1,056.80	715.50
Income from business correspondent operations*	9.48	339.57
Total	**1,066.28**	**1,055.07**

*Set out below is the disaggregation of the Company's revenue from contracts with customers and reconciliation to profit and loss account:

Particulars	For the half year ended September 30, 2023	For the half year ended September 30, 2022
Type of Services or service		
Income from business correspondent operations	9.48	339.57
Total revenue from contracts with customers	**9.48**	**339.57**
Geographical markets		
India	9.48	339.57
Outside India	-	-
Total revenue from contracts with customers	**9.48**	**339.57**
Timing of revenue recognition		
Services transferred at a point in time	-	-
Services transferred over time	9.48	339.57
Total revenue from contracts with customers	**9.48**	**339.57**

Particulars	As at September 30, 2023	As at March 31, 2023
Contract balances		
Trade receivable	7.18	40.97
Contract Assets	478.44	825.64
Contract Liabilities	-	-

Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

Particulars	For the half year ended September 30, 2023	For the half year ended September 30, 2022
Revenue as per Contract	9.48	339.57
Adjustments	-	-
Discount	-	-
Revenue from contract with customers	**9.48**	**339.57**

Particulars	For the half year ended September 30, 2023	For the half year ended September 30, 2022
13 Finance costs (on financial liabilities measured at amortised cost)		
Interest on borrowings (other than debt securities)	27,251.61	18,200.47
Interest on debt securities	6,630.94	6,529.70
Interest on subordinated liabilities	2,240.52	2,957.37
Interest expense for leasing arrangements	90.75	25.45
Other interest expenses	640.23	645.92
Bank charges	188.42	173.00
Total	**37,042.47**	**28,531.91**

Particulars	For the half year ended September 30, 2023		For the half year ended September 30, 2022	
	On financial assets measured at amortised cost	On financial assets measured at FVTOCI	On financial assets measured at amortised cost	On financial assets measured at FVTOCI
14 Impairment on financial instruments				
Loans written off	-	4,831.27	-	47,199.62
Impairment loss allowance on trade receivable and other receivable	(5.46)	-	(2.88)	-
Impairment loss allowance on loans	438.72	(825.91)	127.33	(13,817.13)
Total	**433.26**	**4,005.36**	**124.45**	**33,382.49**

Particulars	For the half year ended September 30, 2023	For the period ended September 30, 2022
15 Earnings per share (EPS)		
Net profit/(loss) after tax attributable to equity shareholders		
Net profit for the year for basic earnings per share	**18,918.00**	**11,480.20**
Dilutive impact of share warrants	-	-
Net profit for the year for diluted earnings per share	**18,918.00**	**11,480.20**
Nominal value of equity share (₹)	10	10
Weighted-average number of equity shares for basis earnings per share	91,798,876	75,086,252
Effect of dilution:		
Share warrants	-	5,128,205
Weighted-average number of equity shares used to compute diluted earnings per share	**91,798,876**	**80,214,457**
Basic earnings per share (₹)	**20.61**	**15.29**
Diluted earnings per share (₹)	**20.61**	**14.31**

(All amounts in ₹ Lakhs, unless otherwise stated)

16 Financial instruments

A Financial assets and liabilities

The carrying amounts of financial instruments by category are as follows:

Particulars	As at September 30, 2023	As at March 31, 2023
Financial assets measured at fair value		
Derivative financial instruments fair value through profit and loss	2,385.98	2,231.64
Loans measured at fair value through other comprehensive income	458,011.13	371,636.22
Investments* measured at		
(i) Fair value through other comprehensive income	5,021.25	5,936.39
(ii) Fair value through profit and loss	79,514.15	68,087.61
Financial assets measured at amortised cost		
Cash and cash equivalents	50,615.12	21,335.16
Bank balances other cash and cash equivalents	88,758.87	81,540.28
Trade receivables	363.18	241.12
Loans	203,179.45	196,784.97
Investments	280.59	127.81
Security deposits	221.90	208.43
Other financial assets	7,900.35	1,398.26
Total	**896,251.97**	**749,527.89**
Financial liabilities measured at amortised cost		
Trade payables	66.37	198.23
Other payables	1,966.50	1,149.80
Debt securities (including interest accrued)	84,315.40	112,080.86
Borrowings other than debt securities (including interest accrued)	568,841.11	402,079.98
Sub-ordinated liabilities (including interest accrued)	28,405.54	35,545.93
Other financial liabilities	4,796.77	20,584.05
Total	**688,391.69**	**571,638.85**

* During the previous year the company has changed its accounting policy for investment in subsidiaries from cost method as per Ind AS 27 'Seperate Financial Statements' to fair value through profit and loss (FVTPL) as per Ind AS 109 'Financial Instruments'.

B Fair values hierarchy

Financial assets and financial liabilities are measured at fair value in the financial statements and are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

The categories used are as follows:
Level 1: Quoted prices (unadjusted) for identical instruments in an active market;
Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and
Level 3: Inputs which are not based on observable market data (unobservable inputs).

Valuation technique used to determine fair value

The fair value of a financial instrument on initial recognition is normally the transaction price (fair value of the consideration given or received). Subsequent to initial recognition, the Company determines the fair value of financial instruments that are quoted in active markets using the quoted bid prices (financial assets held) or quoted ask prices (financial liabilities held) and using valuation techniques for other instruments. Valuation techniques include discounted cash flow method, market comparable method, recent transactions happened in the company and other valuation models. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

B.1 Financial assets and liabilities measured at fair value - recurring fair value measurements

As at September 30, 2023	Level 1	Level 2	Level 3	Total
Assets				
Loans at fair value through other comprehensive income				
Loans	-	-	458,011.13	**458,011.13**
Investments at fair value through other comprehensive income				
Security Receipts	-	-	5,021.25	**5,021.25**
Investments at fair value through profit and loss				
Certificate of deposits	-	4,998.11	-	**4,998.11**
Equity instruments	-	-	74,516.04	**74,516.04**
Derivative financial assets at fair value through profit and loss				
Currency and interest swaps	-	2,385.98	-	**2,385.98**

As at March 31, 2023	Level 1	Level 2	Level 3	Total
Assets				
Loans at fair value through other comprehensive income				
Loans	-	-	371,636.22	**371,636.22**
Investments at fair value through other comprehensive income				
Security Receipts	-	-	5,936.39	**5,936.39**
Investments at fair value through profit and loss				
Equity / Preferential instruments	-	-	68,087.10	**68,087.10**
Government securities	-	0.51	-	**0.51**
Derivative financial assets at fair value through profit and loss				
Currency and interest swaps	-	2,231.64	-	**2,231.64**

(All amounts in ₹ Lakhs, unless otherwise stated)

Valuation process and technique used to determine fair value

Specific valuation techniques used to value financial instruments include:
(a) Eligible loans valued by discounting the aggregate future cash flows (both principal and interest cash flows) with discount rate that commensurate with the risk inherent in the expected cash flows for the remaining portfolio tenor.
(b) The use of net asset value for certificate of deposits and mutual funds on the basis of the statement received from investee party.
(c) The value of derivative contracts are determined using mark to market value shared by contracting bank at balance sheet date.
(d) The use of net asset value for security receipts on the basis of the value declared by investee party.
(e) The use of net asset value for government securities on the basis of the value declared by government.
(f) The use of valuation report obtained from registered valuer for investment in subsidiaries.

17 Financial risk management

i) Risk Management

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's board of directors has overall responsibility for the establishment and oversight of the Company risk management framework. The Company manages the risk basis policies approved by the board of directors. The board of directors provides principles for overall risk management. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement	Risk management
Credit risk	Cash and cash equivalents (excluding cash on hand), other bank balances, investments, loans, trade receivables and other financial assets	Credit limit and ageing analysis	Highly rated bank deposits and diversification of asset base and collaterals taken for assets
Liquidity risk	Borrowings, debt securities, subordinated liabilities, trade payables and other financial liabilities	Cash flow forecasts	Committed borrowing and other credit facilities and sale of loan assets (whenever required) Maintaining high level of liquidity by investing in liquid instruments
Market risk - foreign exchange	Financial assets and liabilities not denominated in Indian rupee ₹	Cash flow forecasting	Currency and interest rate swaps
Market risk - interest rate	Change in interest rate of variable rates borrowings, debt securities and subordinated liabilities	Sensitivity analysis	Review of cost of funds and pricing disbursement
Market risk - security price	Investments in equity securities, mutual funds, certificate of deposits and commercial papers	Sensitivity analysis	Diversification of portfolio, with focus on strategic investments

In order to avoid excessive concentration of risk, the Company's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

A) Credit risk

Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, other bank balances, investments, loan assets, trade receivables and other financial assets. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

a) Credit risk management

Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. 'The Company assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Company has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties, including regular collateral revisions. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

(i) Low credit risk
(ii) Moderate credit risk
(iii) High credit risk

The company provides for expected credit loss based on the following:

Nature	Assets covered	Basis of expected credit loss
Low credit risk	Cash and cash equivalents (excluding cash on hand), other bank balances, investments, loans, trade receivables and other financial assets	Life time expected credit loss or 12 month expected credit loss
Moderate credit risk	Loans	Life time expected credit loss or 12 month expected credit loss
High credit risk	Loans and other financial assets	Life time expected credit loss or fully provided for

Financial assets that expose the entity to credit risk*

Particulars	As at September 30, 2023	As at March 31, 2023
(i) **Low credit risk**		
Cash and cash equivalents	46,882.73	17,312.89
Bank balances other than cash and cash equivalents	88,758.87	81,540.28
Trade receivables	364.78	241.72
Loans	654,804.89	558,989.93
Investments	11,876.38	8,758.24
Security deposits	221.90	208.43
Other financial assets	7,795.18	1,293.39
(ii) **Moderate credit risk**		
Loans	2,815.92	2,018.35
(iii) **High credit risk**		
Loans	15,990.12	19,297.93
Other financial assets	140.27	140.27

* These represent gross carrying values of financial assets, without netting off impairment loss allowance.

Cash and cash equivalents and bank deposits

Credit risk related to cash and cash equivalents (excluding cash on hand) and bank deposits is managed by only placing highly rated deposits with banks and financial institutions across the country.

(All amounts in ₹ Lakhs, unless otherwise stated)

Trade receivables
Trade receivables measured at amortized cost and credit risk related to these are managed by monitoring the recoverability of such amounts continuously.

Other financial assets measured at amortized cost
Other financial assets measured at amortized cost includes loans and advances to employees, security deposits, insurance claim receivables and other recoverable. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously.

Loans
The Company closely monitors the credit-worthiness of the borrower's through internal systems and appraisal process to assess the credit risk and define credit limits of borrower, thereby, limiting the credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties. These processes include a detailed appraisal methodology, identification of risks and suitable structuring and credit risk mitigation measures. The Company assesses increase in credit risk on an ongoing basis for amounts loan receivables that become past due and default is considered to have occurred when amounts receivable become 90 days past due.
The major guidelines for selection of the client includes:
• The client’s income and indebtedness levels must be within the prescribed guidelines of Reserve Bank of India
• The client’s household must be engaged in some form of economic activity which ensures regular and assured income
• The client must possess the required Know Your Client (KYC) documents
• Client must agree to follow the rules and regulations of the organization
• Credit bureau check – In order to deal with the problem of over extension of credit and indebtedness of the client, the organisation undertakes credit bureau checks compulsorily for every client. The credit bureau check helps the organisation in identifying clients with poor repayment histories and multiple loans.

Category*	Inputs	Assumptions
Micro finance loans Micro Small and Medium Enterprises loans	1. Ageing of historical data 2. Latest available interest rate as discounting factor	1. Recoverability assumptions for stage 3 loan assets 2. Averaging of best case and worst case scenarios

* The Company has used forward looking information in form of real domestic demand, consumer price index, real GDP and agriculture growth rate for Micro finance loans and real domestic demand and consumer prices growth rate for Micro Small and Medium Enterprises loans.
Assets are written off when there is no reasonable expectation of recovery. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.

b) Credit risk exposure
i) Expected credit losses for financial assets

As at September 30, 2023	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	46,882.73	-	46,882.73
Bank balances other than cash and cash equivalents	88,758.87	-	88,758.87
Trade receivables	364.78	1.60	363.18
Loans	673,610.93	12,420.35	661,190.58
Investments	11,876.38	1,576.43	10,299.95
Security deposits	221.90	-	221.90
Other financial assets	7,935.45	35.10	7,900.35

As at March 31, 2023	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	17,312.89	-	17,312.89
Bank balances other than cash and cash equivalents	81,540.28	-	81,540.28
Trade receivables	241.72	0.60	241.12
Loans	580,306.21	11,885.02	568,421.19
Investments	8,758.24	2,694.04	6,064.20
Security deposits	208.43	-	208.43
Other financial assets	1,433.66	35.40	1,398.26

c) Concentration of loans

Particulars	As at September 30, 2023	As at March 31, 2023
Micro finance loans	644,668.72	545,850.62
Micro, Small and Medium Enterprises (MSME)	35,041.99	39,297.58
Less: Unamortised processing fee	(6,099.78)	(4,841.99)
Total	**673,610.93**	**580,306.21**

d) Loans secured against collateral
Company's secured portfolio pertains to MSME loans, which are secured largely against property, plant and equipment, book debts, inventories, margin money and other working capital items. Company's collateral policy is consistent throughout the periods presented. The following table presents the maximum exposure to credit risk.

Particulars	Carrying value
As at September 30, 2023	
MSME loans secured by property, plant and equipment (including land, building and plots)	963.72
MSME loans secured by book debts, inventories, margin money and other working capital items	3,658.53
As at March 31, 2023	
MSME loans secured by property, plant and equipment (including land, building and plots)	962.26
MSME loans secured by book debts, inventories, margin money and other working capital items	3,082.64

Wherever required, the Company holds other types of collateral and credit enhancements, such as cross-collateralisation on other assets of the borrower, pledge of securities, guarantees of promoters/proprietors, hypothecation of receivables via escrow account, hypothecation of receivables in other bank accounts, etc.

The Company does not physically possesses properties or other assets in its normal course of business but makes efforts toward recovery of outstanding amounts on delinquent loans. Once contractual loan repayments are overdue, the Company initiate the legal proceedings against the defaulted customers.

(All amounts in ₹ Lakhs, unless otherwise stated)

B) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities (other than derivatives) that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

The Company maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors the Company's liquidity positions (also comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows. The Company also takes into account liquidity of the market in which the entity operates.

(i) Financing arrangements

The Company has access to the following funding facilities:

As at September 30, 2023	Total facility	Drawn	Undrawn
- Expiring within one year	38,110.97	38,110.97	-
- Expiring beyond one year	257,337.00	249,837.00	7,500.00
Total	**295,447.97**	**287,947.97**	**7,500.00**

As at March 31, 2023	Total facility	Drawn	Undrawn
- Expiring within one year	55,350.00	55,350.00	-
- Expiring beyond one year	252,792.90	200,292.00	52,500.90
Total	**308,142.90**	**255,642.00**	**52,500.90**

C) Market risk

a) Foreign currency risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the functional currency of the Company. To mitigate the Company’s exposure to foreign currency risk, non-rupee cash flows are monitored and derivative contracts are entered into in accordance with the Company’s risk management policies. Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk arise majorly on account of foreign currency borrowings. The Company manages its foreign currency risk by entering in to cross currency swaps and forward contract. When a derivative is entered in to for the purpose of being as hedge, the Company negotiates the terms of those derivatives to match with the terms of the hedge exposure.

Foreign currency risk exposure:

The Company exposure to foreign currency risk at the end of the reporting period expressed in ₹, are as follows

Particulars	Currency	As at September 30, 2023	As at March 31, 2023
Financial liabilities			
External commercial borrowings (including interest accrued)	USD	68,397.96	41,691.24
(Gain)/loss: Derivative contract		(2,385.98)	(2,231.64)

Sensitivity

The sensitivity of profit and loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

Particulars	For the half year ended September 30, 2023	For the year ended March 31, 2023
USD sensitivity*		
₹/USD- increase by 5%	(3,419.90)	(2,084.56)
₹/USD- decrease by 5%	3,419.90	2,084.56

** Holding all other variables constant*

b) Interest rate risk

i) Liabilities

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. 'The Company’s policy is to minimise interest rate cash flow risk exposures on long-term financing. As at September 30, 2023, the Company is exposed to changes in market interest rates through debt securities, other borrowings and subordinated liabilities at variable interest rates.

Interest rate risk exposure

Below is the overall exposure of the Company to interest rate risk:

Particulars	As at September 30, 2023	As at March 31, 2023
Variable rate liabilities		
Debt securities	-	-
Borrowings other than debt securities	259,397.64	129,004.52
Subordinated liabilities	20,000.00	20,000.00
Fixed rate liabilities		
Debt securities	81,922.60	109,144.08
Borrowings other than debt securities	307,090.85	271,473.18
Subordinated liabilities	7,989.13	15,126.25
Total	**676,400.22**	**544,748.03**

Sensitivity

The profits earned by the Company are sensitive to the change in interest rates on variable rate liabilities. The following table shows the sensitivity of profit/(loss) due to change in interest rates:

Particulars	For the half year ended September 30, 2023	For the year ended March 31, 2023
Interest sensitivity*		
Interest rates – increase by 0.50%	(544.48)	(620.15)
Interest rates – decrease by 0.50%	544.48	620.15

** Holding all other variables constant*

(All amounts in ₹ Lakhs, unless otherwise stated)

ii) Assets

The Company’s fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

c) Price risk

i) Exposure

The Company’s exposure price risk arises from investments held and classified in the balance sheet either as fair value through other comprehensive income or at fair value through profit and loss. To manage the price risk arising from investments, the Company diversifies its portfolio of assets.

ii) Sensitivity

The table below summarises the impact of increases/decreases of the index on the Company's equity and profit for the period:

Impact on profit before tax

Particulars	**For the half year ended September 30, 2023**	**For the year ended March 31, 2023**
Mutual fund, Certificate of deposits and commercial paper		
Net assets value – increase by 5%	249.91	-
Net assets value – decrease by 5%	(249.91)	-

18 Capital management

'The primary objectives of the Company’s capital management policy is to ensure that the Company complies with capital adequacy requirements required by the Reserve Bank of India and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.
The Company’s capital management objectives are
- to ensure the Company’s ability to continue as a going concern
- to comply with externally imposed capital requirement and maintain strong credit ratings
- to provide an adequate return to shareholders

Management assesses the Company’s capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the sub-ordination levels of the Company’s various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets (including investments in Subsidiary companies). In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

Particulars	**As at September 30, 2023**	**As at March 31, 2023**
Net debt*	542,188.06	446,831.33
Total equity	217,848.42	191,371.68
Net debt to equity ratio	**2.49**	**2.33**

* Net debt includes debt securities + borrowings other than debt securities + sub-ordinated liabilities + interest accrued - cash and cash equivalents - bank balances other than cash and cash equivalents.

This space has been intentionally left blank.

(All amounts in ₹ Lakhs, unless otherwise stated)

19 Related party disclosures

A List of related parties and disclosures

Subsidiaries:
Satin Housing Finance Limited
Satin Finserv Limited
Taraashna Financial Services Limited (merged with Satin Finserv Limited vide NCLT order dated March 1, 2023)

Key managerial personnel and their relatives:

Name of key managerial personnel	Designation
Mr. Harvinder Pal Singh	Chairman cum Managing Director
Mr. Jugal Kataria	Group Controller
Mr. Rakesh Sachdeva	Chief Financial Officer
Mr. Manoj Agrawal (w.e.f. August 11, 2023)	Deputy Chief Financial Officer
Mr. Vipul Sharma (w.e.f. May 12, 2021 till September 10, 2022)	Company Secretary and Compliance Officer
Mr. Vikas Gupta (w.e.f. October 8, 2022)	Company Secretary and Compliance Officer
Mr. Satvinder Singh	Non-Executive and Non-Independent Director
Mr. Sundeep Kumar Mehta	Non-Executive and Independent Director
Mr. Sanjay Kumar Bhatia	Non-Executive and Independent Director
Mr. Anil Kumar Kalra	Non-Executive and Independent Director
Mr. Chrisitan Bernhard Ramm (till March 1, 2023)	Nominee Director
Mr. Goh Colin	Non-Executive and Independent Director
Mrs. Sangeeta Khorana	Non-Executive and Independent Director

Enterprises over which key management personnel and relatives of such personnel exercise significant influence with whom transactions have been undertaken:
Satin Neo Dimensions Private Limited
Niryas Food Products Private Limited

B Details of transactions with related parties carried out in the ordinary course of business:

Name of related party	Nature of transaction	For the half year ended September 30, 2023	For the half year ended September 30, 2022
Mr. Harvinder Pal Singh	Remuneration	70.53	70.16
	Provident fund and others	7.20	7.20
	Personal guarantees given	24,200.00	5,000.00
	Personal guarantees withdrawn	18,140.37	6,909.40
Mr. Satvinder Singh	Personal guarantees withdrawn	-	10,000.00
Mr. Harvinder Pal Singh and Mr. Satvinder Singh	Personal guarantees given (jointly)	256,150.00	17,500.00
	Personal guarantees withdrawn (jointly)	171,187.72	43,153.85
Mr. Jugal Kataria	Remuneration	76.47	70.15
Mr. Rakesh Sachdeva	Remuneration	40.26	39.03
Mr. Vipul Sharma	Remuneration	-	8.52
Mr. Vikas Gupta	Remuneration	18.29	-
Mr. Manoj Agrawal	Remuneration	15.73	-
Mr. Satvinder Singh	Sitting fees	2.50	1.90
Mr. Sundeep Kumar Mehta	Sitting fees	2.90	2.30
Mrs. Sangeeta Khorana	Sitting fees	2.30	0.80
Mr. Goh Colin	Sitting fees	2.50	1.80
Mr. Anil Kumar Kalra	Sitting fees	1.95	1.60
Mr. Sanjay Kumar Bhatia	Sitting fees	2.85	1.80
Satin Housing Finance Limited	Interest income	-	30.99
	Inter corporate loan given	-	1,000.00
	Inter corporate loan received back	-	1,500.00
	Investment made	2,500.00	1,999.95
	Corporate Guarantee premium charged	-	43.72
	Rent received	17.80	16.18
Satin Finserv Limited	Interest income	222.82	254.79
	Inter corporate loan given	2,000.00	850.00
	Inter corporate loan received back	4,350.00	750.00
	Investment made	4,000.00	-
	Facilitation fee paid	6.00	6.00
	Received on account of managerial services	45.00	64.30
	Services received on account of sourcing and collections	800.35	595.48
	Rent received	24.75	23.32
Satin Neo Dimensions Private Limited	Interest income	4.99	8.64
	Inter corporate loan received back	19.02	15.41

(All amounts in ₹ Lakhs, unless otherwise stated)

C Key management personnel compensation includes the following expenses:

Particulars	For the half year ended September 30, 2023	For the half year ended September 30, 2022
Short-term employee benefits	228.48	195.05
Post employment benefits	13.14	10.53
Other long-term benefits	2.66	7.02

D Outstanding balances with related parties in ordinary course of business:

Name of related party	Nature of balance	As at September 30, 2023	As at March 31, 2023
Mr. Satvinder Singh	Personal guarantees against borrowings^	-	-
Mr. Harvinder Pal Singh	Personal guarantees against borrowings^	17,737.15	11,677.52
Mr. Harvinder Pal Singh and Mr. Satvinder Singh	Personal guarantees (jointly) against borrowings^	194,847.51	109,885.23
Mr. Anil Kumar Kalra	Sitting fees	0.41	0.63
Mr. Goh Colin	Sitting fees	1.65	0.58
Mr. Sanjay Kumar Bhatia	Sitting fees	-	0.63
Mr. Satvinder Singh	Sitting fees	0.23	0.27
Mr. Sundeep Kumar Mehta	Sitting fees	0.23	0.27
Mrs. Sangeeta Khorana	Sitting fees	-	0.63
Satin Housing Finance Limited	Investments*	37,427.20	33,568.03
	Inter corporate loan	-	-
	Maximum outstanding against Inter corporate loan	-	2,000.00
Satin Finserv Limited	Investments*	36,978.84	34,407.88
	Inter corporate loan	1,000.00	3,350.00
	Maximum outstanding against Inter corporate loan	3,350.00	4,250.00
Satin Neo Dimensions Private Limited	Inter corporate loan	39.13	58.15
	Maximum outstanding against Inter corporate loan	58.15	90.78
	Interest accrued	0.63	0.97

^Personal guarantee balances outstanding indicates outstanding of borrowings against which guarantee was given.

*Outstanding balance of investment in subsidiaries includes fair valuation gain due to change in accounting policy in previous financial year.

SATIN CREDITCARE NETWORK LIMITED

Selected explanatory notes to the Unaudited Interim Condensed Standalone financial statements for the half year ended September 30, 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

20 Segment information

The Company operates in a single reportable segment i.e. financing which has similar risks and returns for the purpose of Ind AS 108 "Operating segments" is considered to be the only reportable business segment. The Company derives its major revenues from financing activities and its customers are widespread. Further, the Company operates only in India which is considered as a single geographical segment.

21 Contingent liabilities and commitments:

(to the extent not provided for)

i) The Company has received income tax notice under section 143(3) of the Income Tax Act 1961 dated April 05, 2021 for tax demand amounting to ₹ 194.63 lakhs on account of disallowance of expenses under section 43B and 36(1)(va) for assessment year 2018-19. In response to such notice, the company had filed rectification under section 154 and correspondingly received the order under said section dated March 12, 2023 from asessing office reducing the demand to ₹ 64.96 lakhs. The company has also filed an appeal with CIT (A) against such demand which is pending for hearing.

ii) The Company has received income tax notice under section 143(3) of the Income Tax Act, 1961 dated September 24, 2022 for tax demand amounting to ₹ 67.35 lakhs on account of disallowance under section 14A for assessment year 2020-21. In response to such notice, the company has filed an appeal with CIT (A) against such demand which is pending for hearing.

iii) The Company has received income tax notice under section 143(1) and 143(3) of the Income Tax Act, 1961 dated September 22, 2022 and December 20, 2022 respectively for tax demand amounting to ₹ 389.40 lakhs on account of disallowance under section 41 and section 14A for assessment year 2021-22. In response to such notice, the company had filed rectification under section 154 and correspondingly received the order under said section dated April 04, 2023 from assessing office reducing the demand by ₹ 295.72 lakhs resulted the demand reduced to ₹ 93.68 lakhs. The company has also filed an appeal with CIT (A) against such demand which is pending for hearing.

iv)

Particulars	**As at September 30, 2023**	**As at March 31, 2023**
Company had issued corporate financial guarantee to National Housing Bank (NHB) against the funding obtained by its subsidiary Satin Housing Finance Limited.	7,500.00	7,500.00
Company had issued corporate financial guarantee to State Bank of India against the funding obtained by its subsidiary Satin Housing Finance Limited.	6,500.00	2,500.00
Company had issued corporate financial guarantee to LIC Housing Finance Limited against the funding obtained by its subsidiary Satin Housing Finance Limited.	2,500.00	2,500.00
Company has issued corporate financial guarantee to Catalyst Trusteeship Limited against the Non-convertible Debenture issued by its subsidiary Satin Finserv Limited.	-	500.00
Total	**16,500.00**	**13,000.00**

22 The secured non-convertible debentures issued by the Company are fully secured by first pari passu charge by mortgage of an immovable property of the Company and/or by hypothecation of book debts/loan receivables to the extent as stated in the information memorandum. Further, the Company has maintained asset cover as stated in the information memorandum which is sufficient to discharge the principal amount at all times for the non-convertible debt securities issued.

23 During the half year ended September 30, 2023, the Company has allotted following Non-Convertible Debentures on private placement basis -

i) 1,500 Secured, Rated, Listed, Redeemable, Transferable, Non-Convertible Debentures of face value of ₹ 1,00,000 each aggregating to ₹ 1,500.00 lakhs on July 28, 2023.

ii) 2,683 Unlisted, Rated, Secured, Redeemable, Non-Convertible Debentures of face value of ₹ 1,00,000 each aggregating to ₹ 2,683.00 lakhs on August 9, 2023.

iii) 1,417 Unlisted, Rated, Secured, Redeemable, Non-Convertible Debentures of face value of ₹ 1,00,000 each aggregating to ₹ 1,417.00 lakhs on August 14, 2023.

iv) 2,000 Secured, Rated, Listed, Redeemable, Transferable, Non-Convertible Debentures of face value of ₹ 1,00,000 each aggregating to ₹ 2,000.00 lakhs on August 21, 2023.

24 During the half year ended September 30, 2023, the Company has received an amount of ₹1,781.25 Lakhs and ₹4,999.99 Lakhs from Trishashna Holdings and Investments Private Limited (Entity belonging to Promoter Group) and Florintree Ventures LLP (Entity belonging to Non-Promoter Group) in pursuance to conversion of 29,23,076 and 82,05,128 fully convertible warrants, issued on preferential basis, into equivalent number of equity shares of ₹ 10 each, respectively.

25 During the half year ended September 30, 2023, the Company has made an investment of ₹ 3,999.99 Lakhs in Satin Finserv Limited (a wholly owned subsidiary of the Company) by subscribing 1,70,43,033 equity shares of Rs. 10 each at an issue price of ₹ 23.47/- per share (including premium of ₹ 13.47/-), offered on rights basis.

26 During the half year ended September 30, 2023, the Company has made an investment of ₹ 2,499.99 Lakhs in Satin Housing Finance Limited (a wholly owned subsidiary of the Company) by subscribing 81,16,880 equity shares of ₹ 10 each at an issue price of ₹ 30.80/- per share (including premium of ₹ 20.80/-), offered on rights basis.

SATIN CREDITCARE NETWORK LIMITED

Selected explanatory notes to the Unaudited Interim Condensed Standalone financial statements for the half year ended September 30, 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

27 During the half year ended September 30, 2023, the Company has been allotted 31,471 equity shares of ₹ 10 each by Jay Kay Financial Technologies Pvt. Ltd. (which constitutes of 12.20% of total share capital on fully diluted basis) at the revised issue price of ₹ 349.52/- per equity share pursuant to conversion of 21,845 Compulsory Convertible Preference shares.

28 Details of loans transferred / acquired during the half year ended Sept September 30, 2023 under the RBI Master Direction on Transfer of Loan Exposures dated September 24, 2021 are given below:

(i) The company has transferred certain loans which are not in default through direct assignment, details of which are given below:

Particulars	**Quarter ended September 30, 2023**
i) Total number of loans assets assigned during the quarter	374,849
ii) Book value of loans assets assigned during the quarter (₹ in Lakhs)	117,532.39
iii) Sale consideration received during the quarter (₹ in Lakhs)	117,532.39
iv) Interest spread recognised in the statement of profit and loss during the quarter	11,308.68
v) Weighted average maturity of loans assets assigned (in Months)	18.49
vi) Weighted average holding period of loans assets assigned (in Months)	4.83
vii) Retention of beneficial economic interest on loans assets assigned (in%)	11.38%
viii) Coverage of tangible security coverage	Nil
ix) Rating-wise distribution of rated loans	Not Rated
x) Agreed to replace loans transferred to transferee(s) or pay damages arising out of	No

(ii) The company has not transferred any NPA loans.
(iii) The company has not acquired any loans through assignment.
(iv) The company has not acquired any stressed loans.

29 Details pursuant to RBI circular RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated August 06, 2020 issued for Resolution Framework for COVID-19-related Stress:

(₹ in Lakhs)

S. No.	**Type of borrower**	**(A) Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year**	**(B) Of (A), aggregate debt that slipped into NPA during the half-year**	**(C) Of (A) amount written off during the half-year**	**(D) Of (A) amount paid by the borrowers during the half-year**	**(E) Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the this half-year**
1	Personal Loans	-	-	-	-	-
2	Business Loan - JLG	5,167.99	1,169.08	-	2,959.15	1,039.76
3	Business Loan - Others	50.20	-	-	8.64	41.56
4	Corporate persons*	93.16	-	-	2.60	90.56
	Total	**5,311.35**	**1,169.08**	**-**	**2,970.39**	**1,171.88**

* As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

30 The Board of Directors in their meeting held on October 19, 2023 had approved the proposal for raising of funds for an aggregate amount of up to ₹ 3,000 million (Rupees three thousand million), in one or more tranches and/or one or more issuances, simultaneously or otherwise, including by way of private placement(s), qualified institutions placement(s) and/or any combination thereof or any other method as may be permitted in accordance with the applicable provisions of the Companies Act, 2013, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, (each as amended) and any other applicable law. Subsequently, the Shareholder of the Company in its extra ordinary general meeting held on November 27, 2023 had also approved the aforesaid proposal.

31 The Company in its extra ordinary general meeting held on November 27, 2023 has also increased the Authorised Share Capital of the Company to ₹200,00,00,000/- (Rupees Two Hundred Crore only) divided into 12,50,00,000 (Twelve Crore Fifty Lakh) Equity Shares of ₹10/- (Rupees Ten only) each and 7,50,00,000 (Seven Crore Fifty Lakh) Preference Shares of ₹10/- (Rupees Ten only) each by creation of additional 2,00,00,000 (Two Crore) Equity Shares and consequent alteration in Clause V of the Memorandum of Association of the Company.

32 After September 30, 2023, the Company has allotted following Non-Convertible Debentures on private placement basis –

i) 5,000 Secured, Rated, Listed, Redeemable, Transferable, Non-Convertible Debentures of face value of ₹ 1,00,000 each aggregating to ₹5,000.00 lakhs on October 13, 2023.

ii) 10,000 Secured, Rated, Listed, Redeemable, Transferable, Non-Convertible Debentures of face value of ₹ 1,00,000 each aggregating to ₹10,000.00 lakhs on November 1, 2023.

iii) 2,000 Secured, Rated, Listed, Redeemable, Transferable, Non-Convertible Debentures of face value of ₹ 1,00,000 each aggregating to ₹2,000.00 lakhs on November 7, 2023.

iv) 3,500 Secured, Rated, Listed, Redeemable, Transferable, Non-Convertible Debentures of face value of ₹ 1,00,000 each aggregating to ₹3,500.00 lakhs on November 24, 2023.

v) 45,650 Secured, Rated, Unlisted, Redeemable, Transferable, Non-Convertible Debentures of face value of ₹ 10,000 each aggregating to ₹4,565.00 lakhs on December 1, 2023.

(All amounts in ₹ Lakhs, unless otherwise stated)

33 There were no material events to be recognised or reported subsequent to September 30, 2023 but prior to the approval of the financial statements that are not already disclosed elsewhere in these financial statements.

34 Previous year/periods figures have been regrouped/rearranged to make them comparable with the current period classfication.

For S S Kothari Mehta & Co	For and on behalf of the Board of Directors	
Chartered Accountants	**Satin Creditcare Network Limited**	
Firm's Registration No. 000756N		
Naveen Aggarwal	**Harvinder Pal Singh**	**Rakesh Sachdeva**
Partner	(Chairman cum Managing Director)	(Chief Financial Officer)
Membership Number: 094380	DIN: 00333754	
Place : Gurugram	**Place : Gurugram**	
Date : December 14, 2023	**Date : December 14, 2023**	

Report on Review of the Unaudited Interim Condensed Consolidated Financial Statements

To
The Board of Directors,
Satin Creditcare Network Limited,
Plot No. 492, Udyog Vihar, Phase – III,
Gurugram, Haryana – 122016, India.

1. We have reviewed the accompanying Unaudited Interim Condensed Consolidated Financial Statements of Satin Creditcare Network Limited ("the Company or Parent") and its subsidiaries (together referred to as the "the Group"), which comprise the Unaudited Interim Condensed Consolidated Balance Sheet as at September 30, 2023 and the Unaudited Interim Condensed Consolidated Statement of Profit and Loss, including other comprehensive income, Unaudited Interim Condensed Consolidated Cash Flow Statement and the Unaudited Interim Condensed Consolidated Statement of Changes in Equity for the period April 01, 2023 to September 30, 2023 then ended and a summary of selected explanatory notes (including the comparative financial information as at March 31, 2023 and for the period April 01, 2022 to September 30, 2022) (together hereinafter referred to as the "Unaudited Interim Condensed Consolidated Financial Statements"/ Statement). The Unaudited Interim Condensed Consolidated Financial Statements have been prepared by the Company solely in connection with the proposed issuance of equity shares of the Company in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended and other applicable laws.

Management's Responsibilities for the Unaudited Interim Condensed Consolidated Financial Statements

2. These Unaudited Interim Condensed Consolidated Financial Statements, being the responsibility of the Parent Company's Management, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 as amended (the Act), read with relevant rules issued thereunder and other accounting principles generally accepted in India and approved by the Parent Company's Board of Directors. Our responsibility is to express a conclusion on the Unaudited Interim Condensed Consolidated Financial Statements based on our review.

Auditor's Responsibilities

3. We conducted our review of the Unaudited Interim Condensed Consolidated Financial Statements in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India ("the ICAI"). This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

4. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

5. Based on our review conducted and upon considerations of report of other auditor read with para 7 below, nothing has come to our attention that causes us to believe that the accompanying Unaudited Interim Condensed Consolidated Financial Statements has not been prepared, in all material respects, in accordance with requirements of Ind AS 34 "Interim Financial Reporting".

Other Matters

6. The statement includes the unaudited interim condensed financial statements of the following two wholly owned subsidiaries:

   a. Satin Housing Finance Limited;
   b. Satin Finserv Limited.

7. We did not review the unaudited interim condensed financial statements of the above 2 (two) wholly owned subsidiaries whose unaudited interim condensed financial statements reflects total asset of Rs. 92,032.83 lakhs as at September 30, 2023; total revenue of Rs. 9,894.35 lakhs, net profit/ (loss) after tax of Rs. 509.99 lakhs, total comprehensive income of Rs. 699.88 lakhs for the half year ended September 30, 2023, and net cash outflow of Rs. 495.21 lakhs for the half year ended September 30, 2023, as considered in these Unaudited Interim Condensed Consolidated Financial Statements. The unaudited interim financial statements of these wholly owned subsidiaries are reviewed by their independent auditors whose review report have been furnished to us by the management and our conclusion on the Unaudited Interim Condensed Consolidated Financial Statements, in so far as it relates to the amounts and disclosure in respect of these subsidiaries are based solely on the report of such auditors.

Our conclusion on the Statement is not modified in respect of above matters.

Restriction on Use

8. This report is addressed to the Board of Directors of the Company and has been prepared solely for the purposes of submission to BSE Limited, National Stock Exchange of India Limited ("**Stock Exchanges**") or any other authority as may be required under applicable laws and also for including it in the preliminary placement document and placement document, to be filed by the Company with the Securities and Exchange Board of India, Stock Exchanges and the Registrar of the Companies, National Capital Territory of Delhi and Haryana in Delhi, in connection with the proposed issuance of the Securities of the Company. This report should not be otherwise used or shown to or distributed or otherwise made available to any party or used for any other purpose. Accordingly, we do not

accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come.

For S S Kothari Mehta & Co.
Chartered Accountants
Firm's Registration No. 000756N

Naveen Aggarwal
Partner
Membership No. 094380
UDIN: 23094380BGUNGB7469

Place: Gurugram
Date: December 14, 2023

SATIN CREDITCARE NETWORK LIMITED
Unaudited Interim Condensed Consolidated Balance Sheet as at September 30, 2023
(All amounts in ₹ lakhs, unless otherwise stated)

	Notes	As at September 30, 2023	As at March 31, 2023
ASSETS			
Financial assets			
Cash and cash equivalents	3	55,545.81	25,770.63
Bank balances other than cash and cash equivalents	4	94,828.91	85,665.12
Derivative financial instruments		2,385.98	2,231.64
Trade receivables		443.04	539.45
Loans	5	736,090.80	632,885.67
Investments		10,409.95	6,175.90
Other financial assets		9,212.23	2,312.80
		908,916.72	**755,581.21**
Non-financial assets			
Current tax assets (net)		6,541.61	4,327.55
Deferred tax assets (net)		2,712.74	8,857.48
Investment Property		648.04	664.26
Property, plant and equipment		8,916.56	8,681.88
Goodwill		3,370.66	3,370.66
Other intangible assets		145.20	179.17
Other non-financial assets		3,798.87	3,294.60
		26,133.68	**29,375.60**
TOTAL ASSETS		**935,050.40**	**784,956.81**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Payables			
Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises		7.10	10.42
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		238.58	497.45
Other payables			
(i) total outstanding dues of micro enterprises and small enterprises		320.20	23.87
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		2,022.74	1,527.78
Debt securities	6	81,922.60	109,643.58
Borrowings (other than debt securities)	7	616,378.08	444,358.26
Subordinated liabilities	8	29,986.26	37,122.90
Other financial liabilities		11,797.31	27,071.94
		742,672.87	**620,256.20**
Non-financial liabilities			
Current tax liabilities (net)		-	-
Provisions		1,045.77	934.35
Other non-financial liabilities		1,312.47	953.82
		2,358.24	**1,888.17**
EQUITY			
Equity share capital	9	9,920.66	8,479.63
Other equity	10	180,098.63	154,332.81
		190,019.29	**162,812.44**
TOTAL LIABILITIES AND EQUITY		**935,050.40**	**784,956.81**

Group overview and Basis of preparation 1-2
This consolidated Balance Sheet referred to in our report of even date.

For S S Kothari Mehta & Co
Chartered Accountants
Firm's Registration No. 000756N

For and on behalf of the Board of Directors
Satin Creditcare Network Limited

Naveen Aggarwal
Partner
Membership Number: 094380

Harvinder Pal Singh
(Chairman cum Managing Director)
DIN: 00333754

Rakesh Sachdeva
(Chief Financial Officer)

Place : Gurugram
Date : December 14, 2023

Place : Gurugram
Date : December 14, 2023

SATIN CREDITCARE NETWORK LIMITED

Unaudited Interim Condensed Consolidated Statement of Profit and Loss for the half year ended September 30, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

	Notes	For the half year ended September 30, 2023	For the half year ended September 30, 2022
I. Income			
Revenue from operations			
Interest income	11	85,352.62	59,697.82
Dividend income		-	0.17
Rental income		20.30	4.04
Fees and commission income	12	3,061.19	4,003.58
Net gain on fair value changes		372.85	1,409.48
Net gain on derecognition of financial instruments		10,416.31	5,291.19
Other operating income		287.32	37.71
Total Revenue from operations		**99,510.59**	**70,443.99**
Other income		225.58	152.90
Total Income		**99,736.17**	**70,596.89**
II. Expenses			
Finance costs	13	40,216.83	30,371.49
Impairment on financial instruments	14	4,657.46	33,747.25
Employee benefit expenses		21,474.87	19,365.99
Depreciation and amortisation expense		1,042.24	668.01
Other expenses		6,281.83	6,968.14
Total		**73,673.23**	**91,120.88**
Profit before tax		**26,062.94**	**(20,523.99)**
Tax expense:			
Current tax		106.86	130.44
Deferred tax charge / (credit)		6,491.12	(5,404.39)
Total tax expenses		**6,597.98**	**(5,273.95)**
Profit after tax		**19,464.96**	**(15,250.04)**
Other comprehensive income			
Items that will not be reclassified to profit and loss		(1,910.77)	(72.93)
Income tax relating to items that will not be reclassified to profit and loss		480.20	19.22
	A	**(1,430.57)**	**(53.71)**
Items that will be reclassified to profit and loss		531.81	176.15
Income tax relating to items that will be reclassified to profit and loss		(133.84)	(44.40)
	B	**397.97**	**131.75**
Other comprehensive income	**A+B**	**(1,032.60)**	**78.04**
Total comprehensive income		**18,432.36**	**(15,172.00)**

SATIN CREDITCARE NETWORK LIMITED
Unaudited Interim Condensed Consolidated Statement of Profit and Loss for the half year ended September 30, 2023
(All amounts in ₹ lakhs, unless otherwise stated)

		For the half year ended September 30, 2023	For the half year ended September 30, 2022
Net profit after tax attributable to			
Owners of the Parent Company		19,464.96	(15,250.04)
Non-controlling interests		-	-
Other comprehensive income attributable to			
Owners of the Parent Company		(1,032.60)	78.04
Non-controlling interests		-	-
Total comprehensive income attributable to			
Owners of the Parent Company		18,432.36	(15,172.00)
Non-controlling interests		-	-
Earnings per equity share (face value of ₹ 10 per equity share)	15		
Basic (₹)		21.20	(20.31)
Diluted (₹)		21.20	(20.31)
Group overview and Basis of preparation	1-2		

This consolidated Statement of Profit and Loss referred to in our report of even date.

For S S Kothari Mehta & Co
Chartered Accountants
Firm's Registration No. 000756N

For and on behalf of the Board of Directors
Satin Creditcare Network Limited

Naveen Aggarwal
Partner
Membership Number: 094380

Harvinder Pal Singh
(Chairman cum Managing Director)
DIN: 00333754

Rakesh Sachdeva
(Chief Financial Officer)

Place : Gurugram
Date : December 14, 2023

Place : Gurugram
Date : December 14, 2023

SATIN CREDITCARE NETWORK LIMITED

Unaudited Interim Condensed Consolidated cash flow statement for the half year ended September 30, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

	For the half year ended September 30, 2023	For the half year ended September 30, 2022
A Cash flow from operating activities		
Profit / (loss) before tax	26,062.94	(20,523.99)
Adjustments for:		
Depreciation and amortisation	548.88	546.00
Depreciation of right-of-use assets	493.36	122.01
Net loss on derecognition of property, plant and equipment	13.55	6.73
Fair value gain on mutual funds	(219.69)	(209.05)
Unrealised gain on fair value changes of derivatives and investments	(153.16)	(1,200.43)
Property, plant and equipment written off	-	1.30
Impairment on financial instruments	4,657.46	33,747.25
Dividend income	-	(0.17)
Gain on sale of loan portfolio through assignment	(10,416.31)	(5,291.19)
First loss default guarantee (reversal) / expenses	(186.61)	461.89
Effective interest rate adjustment for financial instruments	939.83	912.32
Interest expense for leasing arrangements	110.42	36.30
Net gain on termination of leases	(9.26)	-
Unrealised exchange fluctuation loss (net)	434.73	498.49
Operating profit before working capital changes	**22,276.14**	**9,107.46**
Movement in working capital		
Decrease in trade receivables	96.41	44.61
Increase in loans	(95,343.50)	(33,593.24)
(Increase)/decrease in fixed deposits	(9,163.79)	1,795.48
(Increase)/decrease in other financial assets	(6,893.97)	653.36
Increase in other non-financial assets	(504.27)	(344.09)
Increase/(decrease) in trade and other payables	529.10	(327.78)
(Decrease)/increase in other financial liabilities	(15,094.77)	7,621.37
(Increase)/decrease in provisions	78.21	(77.27)
(Increase)/decrease in other non-financial liabilities	358.65	(96.41)
Cash used in from operating activities post working capital changes	**(103,661.79)**	**(15,216.51)**
Income taxes paid (net)	(2,320.93)	(2,021.53)
Net cash used in operating activities (A)	**(105,982.72)**	**(17,238.04)**
B Cash flows from investing activities		
Purchase of property, plant and equipment	(530.28)	(602.67)
Proceeds from sale of property, plant and equipment	65.13	15.15
Dividend income	-	0.17
Purchase of investments	(523,818.10)	(272,528.17)
Sale of investments	516,348.56	265,652.34
Net cash used in investing activities (B)	**(7,934.69)**	**(7,463.18)**
C Cash flows from financing activities		
Proceeds from issue of share capital and share warrants (including premium and net of share issue expenses)	8,781.24	2,500.00
Proceeds from debt securities	19,386.62	9,483.23
Repayment of debt securities	(47,323.82)	(25,500.70)
Proceeds from borrowings other than debt securities	370,699.22	182,337.96
Repayment of borrowings other than debt securities	(200,114.44)	(197,288.67)
Lease payments	(583.84)	(162.52)
Repayment of subordinated liabilities	(7,152.39)	(7,684.89)
Net cash generated from/(used in) financing activities (C)	**143,692.59**	**(36,315.59)**
Net decrease in cash and cash equivalents (A+B+C)	29,775.18	(61,016.81)
Cash and cash equivalents at the beginning of the year	25,770.63	89,707.76
Cash and cash equivalents at the end of the period	**55,545.81**	**28,690.95**

SATIN CREDITCARE NETWORK LIMITED
Unaudited Interim Condensed Consolidated cash flow statement for the half year ended September 30, 2023
(All amounts in ₹ lakhs, unless otherwise stated)

	For the half year ended September 30, 2023	For the half year ended September 30, 2022
Notes:		
Cash and cash equivalents	55,545.81	64,474.59
Less: Overdraft facility against term deposits	-	(35,783.64)
	55,545.81	**28,690.95**

Group overview and Basis of preparation 1-2
This Statement of Cash Flow referred to in our report of even date.

For S S Kothari Mehta & Co
Chartered Accountants
Firm's Registration No. 000756N

For and on behalf of the Board of Directors
Satin Creditcare Network Limited

Naveen Aggarwal
Partner
Membership Number: 094380

Harvinder Pal Singh
(Chairman cum Managing Director)
DIN: 00333754

Rakesh Sachdeva
(Chief Financial Officer)

Place : Gurugram
Date : December 14, 2023

Place : Gurugram
Date : December 14, 2023

SATIN CREDITCARE NETWORK LIMITED
Unaudited Interim Condensed Consolidated Statement of changes in equity for the half year ended September 30, 2023
(All amounts in ₹ lakhs, unless otherwise stated)

A. Equity share capital (Refer note 9)

September 30, 2023

Particulars	**Balance as at April 1, 2023**	**Changes in Equity Share Capital due to prior period errors**	**Restated balance at April 1, 2023**	**Changes during the half year**	**Balance as at September 30, 2023**
Equity share capital	**8,479.63**	-	**8,479.63**	1,441.03	**9,920.66**

March 31, 2023

Particulars	**Balance as at April 1, 2022**	**Changes in Equity Share Capital due to prior period errors**	**Restated balance at April 1, 2022**	**Changes during the year**	**Balance as at March 31, 2023**
Equity share capital	**7,459.12**	-	**7,459.12**	1,020.51	**8,479.63**

B. Other equity (Refer note 10)

Particulars	**Reserves and Surplus**					**Equity instruments through other comprehensive income**	**Change in fair value of loan assets through other comprehensive income**	**Money received against share warrants**	**Cash flow hedge reserve**	**Total attributable to equity holders of the parent**	**Total non-controlling interest**	**Total**
	Statutory reserve fund	**Securities premium**	**General reserve**	**Capital redemption reserve**	**Retained earnings**							
Balance as at April 1, 2022	**11,003.98**	**106,455.16**	**29.94**	**2,777.00**	**24,864.90**	**(5.00)**	**579.68**	**5,000.00**	**20.56**	**150,726.22**	**-**	**150,726.22**
Profit for the year	-	-	-	-	481.31	-	-	-	-	481.31	-	481.31
Other comprehensive income (net of tax)	-	-	-	-	(35.57)	(2,044.12)	33.57	-	(20.56)	(2,066.68)	-	(2,066.68)
Issue of equity shares (net of share issue expenses)	-	7,271.15	-	-	-	-	-	(8,291.67)	-	(1,020.52)	-	(1,020.52)
Issue of share warrants	-	-	-	-	-	-	-	6,218.75	-	6,218.75	-	6,218.75
Transfer to statutory reserves	5,569.32	-	-	-	(5,569.32)	-	-	-	-	-	-	-
Share issue expense of subsidiary	-	-	-	-	(6.27)	-	-	-	-	(6.27)	-	(6.27)
Balance as at March 31, 2023	**16,573.30**	**113,726.31**	**29.94**	**2,777.00**	**19,735.05**	**(2,049.12)**	**613.25**	**2,927.08**	**-**	**154,332.81**	**-**	**154,332.81**
Profit for the half year	-	-	-	-	19,464.97	-	-	-	-	19,464.97	-	19,464.97
Other comprehensive income (net of tax)	-	-	-	-	(25.55)	(1,405.02)	397.97	-	-	(1,032.60)	-	(1,032.60)
Issue of equity shares (net of share issue expenses)	-	10,267.29	-	-	-	-	-	(11,708.32)	-	(1,441.03)	-	(1,441.03)
Issue of share warrants	-	-	-	-	-	-	-	8,781.24	-	8,781.24	-	8,781.24
Transfer to statutory reserves	3,840.18	-	-	-	(3,840.18)	-	-	-	-	-	-	-
Share issue expense of subsidiary	-	-	-	-	(6.76)	-	-	-	-	(6.76)	-	(6.76)
Balance as at September 30, 2023	**20,413.48**	**123,993.60**	**29.94**	**2,777.00**	**35,327.53**	**(3,454.14)**	**1,011.22**	**-**	**-**	**180,098.63**	**-**	**180,098.63**

Group overview and Basis of preparation
This Statement of Changes in Equity referred to in our report of even date.

For S S Kothari Mehta & Co
Chartered Accountants
Firm's Registration No. 000756N

Naveen Aggarwal
Partner
Membership Number: 094380

Place : Gurugram
Date : December 14, 2023

For and on behalf of the Board of Directors
Satin Creditcare Network Limited

Harvinder Pal Singh
(Chairman cum Managing Director)
DIN: 00333754

Rakesh Sachdeva
(Chief Financial Officer)

Place : Gurugram
Date : December 14, 2023

1 Group overview

Satin Creditcare Network Limited ('the Parent Company') is a public limited company and incorporated under the provisions of Companies Act. The Parent Company is a non-deposit accepting Non-Banking Financial Company ('NBFC-ND') and is registered as a Non-Banking Financial Company – Micro Finance Institution ('NBFC-MFI') with the Reserve Bank of India ("RBI") in November 2013. The Parent Company is engaged primarily in providing micro finance services to women in the rural areas of India who are enrolled as members and organized as Joint Liability Groups ('JLG'). The Parent Company is domiciled in India and its registered office is situated at 5th Floor, Kundan Bhawan, Azadpur Commercial Complex, New Delhi – 110033.

The Parent Company owns 100% equity shares of Satin Housing Finance Limited ("SHFL"). The SHFL is engaged in the business of providing long term finance to individuals, companies, corporations, societies or association of persons for purchase/ construction/repair and renovation of new/existing flats/houses for residential purposes.

The Parent Company owns 100% equity shares of 100% stake in equity shares in Satin Finserv Limited ("SFL"). The SFL is engaged in the business of providing various financial services to small entrepreneurs, MSMEs, Indian consumers and other eligible consumers as permissible under applicable laws.

2 Basis of prepration

These Unaudited Interim Condensed Consolidated Financial Statements of Satin Creditcare Network Limited ("the Parent Company") and its subsidiaries (together referred to as the "the Group"), which comprise the Unaudited Interim Condensed Consolidated Balance Sheet as at September 30, 2023 and the Unaudited Interim Condensed Consolidated Statement of Profit and Loss, including other comprehensive income, Unaudited Interim Condensed Consolidated Cash Flow Statement and the Unaudited Interim Condensed Consolidated Statement of Changes in Equity for the period April 01, 2023 to September 30, 2023 then ended and a summary of selected explanatory notes (including the comparative financial information as at March 31, 2023 and for the period April 01, 2022 to September 30, 2022) (together hereinafter referred to as the "Unaudited Interim Condensed Consolidated Financial Statements"/ Statement) have been prepared in accordance with the principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India.

The accounting policies and critical accounting estimates & judgements followed in the prepration of the Unaudited Interim Condensed consolidated Financial Statements are consistent with those followed in the preparation of financial statements for the year ended March 31, 2023.

The Unaudited Interim Condensed consolidated Financial Statements as at September 30, 2023 does not include all the information and disclosures Statements which were prepared as at March 31, 2023. However, selected explanatory notes are included to explain events and transactions financial position and performance since the last Audited Financial Statements.

These Unaudited Interim Condensed consolidated Financial Statements have been prepared for the purpose of inclusion in the Preliminary Placement Document and the Placement Document to be filed with the Securities and Exchange Board of India ("SEBI"), in connection with the proposed issuance of the equity shares of the Company in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended and other applicable laws.

These Unaudited Interim Condensed Consolidated Financial Statements as at and for the half year ended September 30, 2023 along with the comparatives as mentioned above are approved and adopted by the Fund raising Committee of the Parent Company in their meeting held on December 14, 2023.

Particulars	As at September 30, 2023	As at March 31, 2023
3 Cash and cash equivalents		
Cash on hand	4,412.13	4,701.05
Balances with banks and financial institutions		
- Balance with banks in current accounts*	41,876.98	17,511.53
- Deposits for original maturity of less than 3 months	9,256.70	3,558.05
Total	**55,545.81**	**25,770.63**

*Balance in current accounts includes balance of ₹ 2.15 lakhs (March 31, 2023 : ₹ 2.15 lakhs) which is earmarked for unpaid dividend.

Particulars	As at September 30, 2023	As at March 31, 2023
4 Bank balances other than cash and cash equivalents		
Deposits for remaining maturity of more than 3 months and upto 12 months	8,064.40	4,264.01
Deposits with remaining maturity more than 12 months	759.80	935.46
Balance with banks and financial institutions to the extent held as margin money deposits against borrowings and guarantees	86,004.71	80,465.65
Total	**94,828.91**	**85,665.12**

Particulars	As at September 30, 2023		As at March 31, 2023	
5 Loans	**At fair value through other comprehensive income**	**At amortised cost**	**At fair value through other comprehensive income**	**At amortised cost**
Portfolio loans				
Secured	-	27,309.19	-	22,179.39
Unsecured	468,147.08	204,102.36	381,675.56	195,804.28
Housing loans				
Secured	50,113.58	-	46,149.76	-
	518,260.66	**231,411.55**	**427,825.32**	**217,983.67**
Less: Impairment loss allowance	(10,637.09)	(2,944.32)	(10,500.96)	(2,422.36)
Sub-total	**507,623.57**	**228,467.23**	**417,324.36**	**215,561.31**
Total loans		**736,090.80**		**632,885.67**

Particulars	As at September 30, 2023	As at March 31, 2023
(i) Secured by tangible assets (property, plant and equipment including land and building)	71,547.85	63,945.82
(ii) Secured by book debts, inventories, margin money and other working capital items	4,348.05	3,082.64
(iii) Unsecured	660,194.89	565,857.21
Total	**736,090.80**	**632,885.67**

Loans in India		
(i) Public sector	-	-
(ii) Others	736,090.80	632,885.67
Total	**736,090.80**	**632,885.67**

#There are no loans or advances repayable on demand or without specifying any term or period of repayment of the related parties.

Particulars	As at September 30, 2023	As at March 31, 2023
6 Debt securities (at amortised cost)		
Secured Non-convertible debentures	76,225.00	103,946.27
Unsecured Non-convertible debentures	5,697.60	5,697.31
Total	**81,922.60**	**109,643.58**
Debt securities in India	81,922.60	109,643.58
Debt securities outside India	-	-
Total	**81,922.60**	**109,643.58**

Secured non-convertible debentures are redeemable as per maturity cycle till August 13, 2027 and are carrying interest rate ranging from 10.50% to 13.01% p.a.
Unsecured non-convertible debenture is redeemable as per maturity cycle till February 28, 2028 and is carrying interest rate of 12.16% p.a.

Particulars	As at September 30, 2023	As at March 31, 2023
7 Borrowings (other than debt securities) (at amortised cost)		
Term loans		
From banks		
Secured*	253,253.24	185,152.59
From other parties		
Secured#	167,099.20	102,332.63
External commercial borrowings		
Secured	54,591.82	21,285.26
Unsecured	12,373.55	19,613.23
Commercial paper (unsecured)	9,874.38	-
Liability against securitised assets (secured)	117,483.21	114,564.33
Liability against leased assets (unsecured)	1,702.68	1,410.22
Total	**616,378.08**	**444,358.26**
Borrowings in India	549,412.71	403,459.77
Borrowings outside India	66,965.37	40,898.49
Total	**616,378.08**	**444,358.26**

*Includes amount guaranteed by directors in their personal capacity of ₹ 1,28,506.11 lakhs (March 31, 2023 : ₹ 83,364.45 lakhs)

#Includes amount guaranteed by directors in their personal capacity of ₹ 1,06,663.00 lakhs (March 31, 2023 : ₹ 54,652.48 lakhs)

Particulars	As at September 30, 2023	As at March 31, 2023
8 Sub-ordinated liabilities (at amortised cost)		
Non-convertible debentures	9,986.26	14,622.90
Term loans from banks	20,000.00	22,500.00
Total	**29,986.26**	**37,122.90**
Sub-ordinated liabilities in India	29,986.26	37,122.90
Sub-ordinated liabilities outside India	-	-
Total	**29,986.26**	**37,122.90**

Unsecured non-convertible debentures are redeemable as per maturity cycle till April 24, 2027 and are carrying interest rate ranging from 13.14% to 15.50% p.a.

(All amounts in ₹ Lakhs, unless otherwise stated)

9 Equity share capital

	As at September 30, 2023		As at March 31, 2023	
A Authorised	**Number**	**Amount**	**Number**	**Amount**
Equity share capital of face value of ₹ 10 each				
At the beginning of the period	105,000,000	10,500.00	105,000,000	10,500.00
Additions during the period	-	-	-	-
	105,000,000	**10,500.00**	**105,000,000**	**10,500.00**
B Issued and subscribed				
Equity share capital of face value of ₹ 10 each				
At the beginning of the period	85,349,021	8,534.90	75,143,893	7,514.39
Additions during the period	14,410,256	1,441.03	10,205,128	1,020.51
	99,759,277	**9,975.93**	**85,349,021**	**8,534.90**
C Issued and Paid-up				
Fully paid-up				
Equity share capital of face value of ₹ 10 each				
At the beginning of the period	85,224,125	8,522.41	75,018,997	7,501.90
Additions during the period	14,410,256	1,441.03	10,205,128	1,020.51
	99,634,381	**9,963.44**	**85,224,125**	**8,522.41**
Less: Amount recoverable from Satin Employees Welfare Trust	(482,946)	(48.29)	(482,946)	(48.29)
(Equity shares of ₹ 10/- each allotted to the Satin Employees Welfare Trust)	**99,151,435**	**9,915.15**	**84,741,179**	**8,474.12**
Add: Forfeited shares (amount originally paid on 1,24,896 equity shares (March 31, 2023: 1,24,896 equity shares)	-	5.51	-	5.51
	99,151,435	**9,920.66**	**84,741,179**	**8,479.63**
D Reconciliation of number of equity shares outstanding at the beginning and at the end of the period				
Balance at the beginning of the period	85,224,125	8,522.41	75,018,997	7,501.90
Add: Issued during the period	14,410,256	1,441.03	10,205,128	1,020.51
	99,634,381	**9,963.44**	**85,224,125**	**8,522.41**
E Reconciliation of number of equity shares issued to Satin Employees Welfare Trust outstanding at the beginning and at the end of the period				
Balance at the beginning of the period	482,946	48.29	482,946	48.29
	482,946	**48.29**	**482,946**	**48.29**

F Rights, preferences and restrictions

The Parent Company has only one class of equity shares having par face value of ₹ 10 per share. Each equity shareholder is eligible for one vote per fully paid share held. Any dividend, if proposed by the Board of Directors, is subject to the approval of shareholders. Dividend declared and paid would be in Indian rupees. In the event of liquidation of the Parent Company, the holders of equity share will be entitled to receive remaining assets of the Parent Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders or in case of partly paid shares the paid-up amount.

G Details of shareholder holding more than 5% share capital:

	As at September 30, 2023		As at March 31, 2023	
Name of shareholder	**Number**	**%**	**Number**	**%**
Trishashna Holdings & Investments Private Limited (THIPL)	37,784,820	37.92%	31,579,692	37.05%
Florintree Ventures LLP	12,307,692	12.35%	-	0.00%
Nordic Microfinance Initiative Fund III KS	-	0.00%	4,663,136	5.47%

H Aggregate number of shares issued for consideration other than cash during the last five years

On June 27, 2019, the Parent Company has allotted 1,343,283 equity shares of ₹ 10 each on conversion of 1,343,283, Optionally Convertible, Cumulative, Redeemable Preference Shares ("OCCRPS") of face value of ₹ 10 each fully paid-up to IndusInd Bank Limited (entities belonging to non-promoter group).

I Shareholdings of Promoters

Promoter Name	As at September 30, 2023		As at March 31, 2023		% Change during the year
	No. of Shares	% of Total Shares	No. of Shares	% of Total Shares	
Mrs. Anureet HP Singh	726,148	0.73%	726,148	0.85%	(0.12%)
Mr. Harbans Singh (deceased)	406,402	0.41%	406,402	0.48%	(0.07%)
Mr. Satvinder Singh	385,703	0.39%	385,703	0.45%	(0.06%)
Mrs. Neeti Singh	204,092	0.20%	204,092	0.24%	(0.04%)
Trishashna Holdings & Investments Private Limited	37,784,820	37.92%	31,579,692	37.05%	0.87%
Wisteria Holdings & Investments Private Limited	322,262	0.32%	322,262	0.38%	(0.06%)
Total	**39,829,427**	**39.97%**	**33,624,299**	**39.45%**	**0.52%**

10 Other equity

Particulars	**As at September 30, 2023**	**As at March 31, 2023**
Capital redemption reserve	2,777.00	2,777.00
Statutory reserve	20,413.48	16,573.30
General reserve	29.94	29.94
Securities premium	123,993.60	113,726.31
Retained earnings	35,327.53	19,735.05
Money received against share warrants	-	2,927.08
Other comprehensive income:		
Equity instruments through other comprehensive income	(3,454.14)	(2,049.12)
Changes in fair value of loan assets	1,011.22	613.25
Total	**180,098.63**	**154,332.81**

SATIN CREDITCARE NETWORK LIMITED
Selected explanatory notes to the Unaudited Interim Condensed Consolidated financial statements for the half year ended September 30, 2023
(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	For the half year ended September 30, 2023			For the half year ended September 30, 2022		
	On financial assets measured at amortised cost	On financial assets measured classified at FVTPL	On financial assets measured classified at FVOCI	On financial assets measured at amortised cost	On financial assets measured classified at FVTPL	On financial assets measured classified at FVOCI
11 Interest income						
Interest income on portfolio loans	23,601.54	-	53,212.31	13,194.94	-	39,320.23
Income from housing loans	-	-	3,196.27	-	-	3,990.34
Interest income on deposits	3,191.48	-	-	2,311.74	-	-
Interest income on certificate of deposits, commercial papers, T-Bill and NCD's	-	261.26	-	-	123.24	-
Interest income on unwinding of assigned portfolio	1,889.76	-	-	757.33	-	-
Sub-total	**28,682.78**	**261.26**	**56,408.58**	**16,264.01**	**123.24**	**43,310.57**
Total			**85,352.62**			**59,697.82**

Particulars	For the half year ended September 30, 2023	For the half year ended September 30, 2022
12 Fees and commission income		
Service fee and facilitation charges	1,330.58	891.81
Income from business correspondent operations*	1,730.61	3,111.77
Total	**3,061.19**	**4,003.58**

*Set out below is the disaggregation of the Group's revenue from contracts with customers and reconciliation to profit and loss account:

Particulars	For the half year ended September 30, 2023	For the half year ended September 30, 2022
Type of Services or service		
Income from business correspondent operations	1,730.61	3,111.77
Total revenue from contracts with customers	**1,730.61**	**3,111.77**
Geographical markets		
India	1,730.61	3,111.77
Outside India	-	-
Total revenue from contracts with customers	**1,730.61**	**3,111.77**
Timing of revenue recognition		
Services transferred at a point in time	-	-
Services transferred over time	1,730.61	3,111.77
Total revenue from contracts with customers	**1,730.61**	**3,111.77**

Particulars	As at September 30, 2023	As at March 31, 2023
Contract balances		
Trade receivable	87.04	698.53
Contract Assets	478.44	825.64
Contract Liabilities	-	-

Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

Particulars	For the half year ended September 30, 2023	For the half year ended September 30, 2022
Revenue as per Contract	1,730.61	3,111.77
Adjustments	-	-
Discount	-	-
Revenue from contract with customers	**1,730.61**	**3,111.77**

Particulars	For the half year ended September 30, 2023	For the half year ended September 30, 2022
13 Finance costs (on financial liabilities measured at amortised cost)		
Interest on borrowings (other than debt securities)	30,153.53	19,808.47
Interest on debt securities	6,649.91	6,568.56
Interest on subordinated liabilities	2,380.90	3,097.75
Interest expense for leasing arrangements	110.42	36.30
Other interest expenses	702.86	682.66
Bank charges	219.21	177.75
Total	**40,216.83**	**30,371.49**

Particulars	For the half year ended September 30, 2023		For the half year ended 30 September 2022	
	On financial assets measured at amortised cost	On financial assets measured at FVTOCI	On financial assets measured at amortised cost	On financial assets measured at FVTOCI
14 Impairment on financial instruments				
Loans written off	81.49	4,831.27	117.52	47,199.62
Impairment loss allowance on trade receivable and other receivable	(5.46)	-	19.94	-
Impairment loss allowance on housing and other loans	521.96	(771.80)	176.93	(13,766.76)
Total	**597.99**	**4,059.47**	**314.39**	**33,432.86**

Particulars	For the half year ended September 30, 2023	For the period ended September 30, 2022
15 Earnings per share (EPS)		
Net profit/(loss) after tax attributable to equity shareholders		
Net profit for the year for basic earnings per share	**19,464.96**	**(15,250.04)**
Dilutive impact of share warrants	-	-
Net profit for the year for diluted earnings per share	**19,464.96**	**(15,250.04)**
Nominal value of equity share (₹)	10	10
Weighted-average number of equity shares for basis earnings per share	91,798,876	75,086,252
Effect of dilution:		
Share warrants	-	5,128,205
Weighted-average number of equity shares used to compute diluted earnings per share	**91,798,876**	**80,214,457**
Basic earnings per share (₹)	**21.20**	**(20.31)**
Diluted earnings per share (₹)	**21.20**	**(20.31)**

(All amounts in ₹ lakhs, unless otherwise stated)

16 Financial instruments

A Financial assets and liabilities

The carrying amounts of financial instruments by category are as follows:

Particulars	**As at September 30, 2023**	**As at March 31, 2023**
Financial assets measured at fair value		
Derivative financial instruments	2,385.98	2,231.64
Loans measured at fair value through other comprehensive income	507,623.57	417,324.36
Investments measured at		
Fair value through other comprehensive income	5,021.25	5,936.39
Fair value through profit and loss	5,108.11	111.70
Financial assets measured at amortised cost		
Cash and cash equivalents	55,545.81	25,770.63
Bank balances other cash and cash equivalents	94,828.91	85,665.12
Trade receivables	443.04	539.45
Loans	228,467.23	215,561.31
Investments	280.59	127.81
Security deposits	279.84	253.59
Other financial assets	8,932.39	2,059.21
Total	**908,916.72**	**755,581.21**
Financial liabilities measured at amortised cost		
Trade payables	245.68	507.87
Other payables	2,342.94	1,551.65
Debt securities (including interest accrued)	84,315.40	112,633.95
Borrowings other than debt securities (including interest accrued)	618,919.79	446,093.20
Sub-ordinated liabilities (including interest accrued)	30,474.01	37,612.39
Other financial liabilities	6,375.05	21,857.14
Total	**742,672.87**	**620,256.20**

B Fair values hierarchy

Financial assets and financial liabilities are measured at fair value in the financial statements and are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

The categories used are as follows:
Level 1: Quoted prices (unadjusted) for identical instruments in an active market;
Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and
Level 3: Inputs which are not based on observable market data (unobservable inputs).

Valuation technique used to determine fair value

The fair value of a financial instrument on initial recognition is normally the transaction price (fair value of the consideration given or received). Subsequent to initial recognition, the Group determines the fair value of financial instruments that are quoted in active markets using the quoted bid prices (financial assets held) or quoted ask prices (financial liabilities held) and using valuation techniques for other instruments. Valuation techniques include discounted cash flow method, market comparable method, recent transactions happened in the Group and other valuation models. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

B.1 Financial assets and liabilities measured at fair value - recurring fair value measurements

As at September 30, 2023	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets				
Loans at fair value through other comprehensive income				
Loans	-	-	507,623.57	**507,623.57**
Investments at fair value through other comprehensive income				
Security Receipts	-	-	5,021.25	**5,021.25**
Investments at fair value through profit and loss				
Certificate of deposits	-	4,998.11	-	**4,998.11**
Equity instruments	-	-	110.00	**110.00**
Derivative financial assets at fair value through profit and loss				
Currency and interest swaps	-	2,385.98	-	**2,385.98**

As at March 31, 2023	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets				
Loans at fair value through other comprehensive income				
Loans	-	-	417,324.36	**417,324.36**
Investments at fair value through other comprehensive income				
Security Receipts	-	-	5,936.39	**5,936.39**
Investments at fair value through profit and loss				
Government securities	-	0.51	-	**0.51**
Others	-	-	111.19	**111.19**
Derivative financial assets at fair value through profit and loss				
Currency and interest swaps	-	2,231.64	-	**2,231.64**

Valuation process and technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

(a) Eligible loans valued by discounting the aggregate future cash flows (both principal and interest cash flows) with discount rate that commensurate with the risk inherent in the expected cash flows for the remaining portfolio tenor.

(b) The use of net asset value for mutual funds and certificate of deposits on the basis of the statement received from investee party.
(c) The value of derivative contracts are determined using mark to market value shared by contracting bank at balance sheet date.
(d) The use of net asset value for security receipts on the basis of the value declared by investee party.
(e) The use of net asset value for government securities on the basis of the value declared by government.

(All amounts in ₹ lakhs, unless otherwise stated)

17 Financial risk management

i) Risk Management

The Group's activities expose it to market risk, liquidity risk and credit risk. The Group's Board of directors has overall responsibility for the establishment and oversight of the Group risk management framework. The Group manages the risk basis policies approved by the board of directors. The board of directors provides principles for overall risk management. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement	Risk management
Credit risk	Cash and cash equivalents (excluding cash on hand), other bank balances, investments, loans, trade receivables and other financial assets	Credit limit and ageing analysis	Highly rated bank deposits and diversification of asset base and collaterals taken for assets
Liquidity risk	Borrowings, debt securities, subordinated liabilities, trade payables and other financial liabilities	Cash flow forecasts	Committed borrowing and other credit facilities and sale of loan assets (whenever required) Maintaining high level of liquidity by investing in liquid instruments
Market risk - foreign exchange	Financial assets and liabilities not denominated in Indian rupee ₹	Cash flow forecasting	Currency and interest rate swaps
Market risk - interest rate	Change in interest rate of variable rates borrowings, debt securities and subordinated liabilities	Sensitivity analysis	Review of cost of funds and pricing disbursement
Market risk - security price	Investments in equity securities, mutual funds, certificate of deposits and commercial papers	Sensitivity analysis	Diversification of portfolio, with focus on strategic investments

In order to avoid excessive concentration of risk, the Group's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

A) Credit risk

Credit risk is the risk that the Group will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Group's exposure to credit risk is influenced mainly by cash and cash equivalents, other bank balances, investments, loan assets, trade receivables and other financial assets. The Group continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

a) Credit risk management

Based on business environment in which the Group operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. The Group assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Group has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties, including regular collateral revisions. The Group assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

(i) Low credit risk
(ii) Moderate credit risk
(iii) High credit risk

The Group provides for expected credit loss based on the following:

Nature	Assets covered	Provision for expected credit loss
Low credit risk	Cash and cash equivalents (excluding cash on hand), other bank balances, investments, loans, trade receivables and other financial assets	Life time expected credit loss or 12 month expected credit loss
Moderate credit risk	Loans	Life time expected credit loss or 12 month expected credit loss
High credit risk	Loans and other financial assets	Life time expected credit loss or fully provided for

Financial assets that expose the entity to credit risk*

Particulars	As at September 30, 2023	As at March 31, 2023
(i) **Low credit risk**		
Cash and cash equivalents	51,133.68	21,069.58
Bank balances other than cash and cash equivalents	94,828.91	85,665.12
Trade receivables	444.64	540.05
Loans	725,312.87	621,155.74
Investments	11,876.38	8,758.24
Security deposits	279.84	253.59
Other financial assets	8,827.22	1,954.34
(ii) **Moderate credit risk**		
Loans	6,770.30	4,314.06
(iii) **High credit risk**		
Loans	17,589.04	20,339.19
Other financial assets	140.27	140.27

* These represent gross carrying values of financial assets, without netting off impairment loss allowance.

Cash and cash equivalents and bank deposits

Credit risk related to cash and cash equivalents (excluding cash on hand) and bank deposits is managed by only accepting highly rated deposits from banks and financial institutions across the country.

Trade receivables

Trade receivables measured at amortized cost and credit risk related to these are managed by monitoring the recoverability of such amounts continuously.

Other financial assets measured at amortized cost

Other financial assets measured at amortized cost includes loans and advances to employees, security deposits, insurance claim receivables and other recoverable. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously.

(All amounts in ₹ lakhs, unless otherwise stated)

Loans

The Group closely monitors the credit worthiness of the borrower's through internal systems and appraisal process to assess the credit risk and define credit limits of borrower, thereby, limiting the credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties. These processes include a detailed appraisal methodology, identification of risks and suitable structuring and credit risk mitigation measures. The Group assesses increase in credit risk on an ongoing basis for amounts loan receivables that become past due and default is considered to have occurred when amounts receivable become 90 days past due.

The major guidelines for selection of the client includes:
• The client's income and indebtedness levels
• The client's household must be engaged in some form of economic activity which ensures regular and assured income
• The client must possess the required KYC documents
• Client must agree to follow the rules and regulations of the organisation
• Credit bureau check – In order to deal with the problem of over extension of credit and indebtedness of the client, the organisation undertakes credit bureau checks compulsorily for every client. The credit bureau check helps the organisation in identifying clients with poor repayment histories and multiple loans.

Category*	Inputs	Assumptions
Micro finance loans Micro, Small and Medium Enterprises loans Housing and other loans	1. Ageing of historical data 2. Latest available interest rate as discounting factor	1. Recoverability assumptions for stage 3 loan assets 2. Averaging of best case and worst case scenarios

* The Parent Company has used forward looking information in form of real domestic demand, consumer price index, real GDP and agriculture growth rate for Micro finance loans and real domestic demand and consumer prices growth rate for Micro Small and Medium Enterprises loans and subsidiary Companies has used forward looking information in form of inflation rate for housing and other loans.

Assets are written off when there is no reasonable expectation of recovery. The Group continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.

b) Credit risk exposure

i) Expected credit losses for financial assets

As at September 30, 2023	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	51,133.68	-	51,133.68
Bank balances other than cash and cash equivalents	94,828.91	-	94,828.91
Trade receivables	444.64	1.60	443.04
Loans	749,672.21	13,581.41	736,090.80
Investments	11,876.38	1,576.43	10,299.95
Security deposits	279.84	-	279.84
Other financial assets	8,967.49	35.10	8,932.39

As at March 31, 2023	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	21,069.58	-	21,069.58
Bank balances other than cash and cash equivalents	85,665.12	-	85,665.12
Trade receivables	540.05	0.60	539.45
Loans	645,808.99	12,923.32	632,885.67
Investments	8,758.24	2,694.04	6,064.20
Security deposits	253.59	-	253.59
Other financial assets	2,094.61	35.40	2,059.21

c) Concentration of loans

Particulars	As at September 30, 2023	As at March 31, 2023
Micro finance loans	644,668.72	545,850.62
Micro, Small and Medium Enterprises (MSME)	61,369.65	58,934.27
Housing finance and other loans	51,116.69	47,011.93
Less: Unamortised processing fee	(7,482.85)	(5,988.84)
Total	**749,672.21**	**645,807.98**

d) Loans secured against collateral

The Group secured portfolio pertains to MSME, housing and other loans, which are secured largely against property, plant and equipment, book debts, inventories, margin money and other working capital items. The Group collateral policy is consistent throughout the periods presented. The following table presents the maximum exposure to credit risk.

Particulars	Carrying value
As at September 30, 2023	
MSME loans secured by property, plant and equipment (including land, building and plots)	71,547.85
MSME loans secured by book debts, inventories, margin money and other working capital items	4,348.05
As at March 31, 2023	
MSME loans secured by property, plant and equipment (including land, building and plots)	63,945.82
MSME loans secured by book debts, inventories, margin money and other working capital items	3,082.64

Wherever required, the Group holds other types of collateral and credit enhancements, such as cross-collateralisation on other assets of the borrower, pledge of securities, guarantees of promoters/proprietors, hypothecation of receivables via escrow account, hypothecation of receivables in other bank accounts, etc.

The Group does not physically possesses properties or other assets in its normal course of business but makes efforts toward recovery of outstanding amounts on delinquent loans. Once contractual loan repayments are overdue, the Group initiate the legal proceedings against the defaulted customers.

(All amounts in ₹ lakhs, unless otherwise stated)

B) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities (other than derivatives) that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

The Group maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors the Group's liquidity positions (also comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows. The Group also takes into account liquidity of the market in which the entity operates.

(i) Financing arrangements

The Group had access to the following undrawn borrowing facilities:

As at September 30, 2023	Total facility	Drawn	Undrawn
- Expiring within one year	47,510.97	39,110.97	8,400.00
- Expiring beyond one year	260,337.00	249,837.00	10,500.00
Total	**307,847.97**	**288,947.97**	**18,900.00**

As at March 31, 2023	Total facility	Drawn	Undrawn
- Expiring within one year	55,850.00	55,350.00	500.00
- Expiring beyond one year	258,792.90	200,292.00	58,500.90
Total	**314,642.90**	**255,642.00**	**59,000.90**

C) Market risk

a) Foreign currency risk

The Group is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the functional currency of the Group. To mitigate the Group's exposure to foreign currency risk, non-rupee cash flows are monitored and derivative contracts are entered into in accordance with the Group's risk management policies. Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk arise majorly on account of foreign currency borrowings. The Group manages its foreign currency risk by entering in to cross currency swaps and forward contract. When a derivative is entered in to for the purpose of being as hedge, the Group negotiates the terms of those derivatives to match with the terms of the hedge exposure.

Foreign currency risk exposure:

The Group exposure to foreign currency risk at the end of the reporting period expressed in ₹, are as follows

Particulars	Currency	As at September 30, 2023	As at March 31, 2023
Financial liabilities			
External commercial borrowings (including interest accrued)	USD	68,397.96	41,691.24
(Gain)/loss: Derivative contract		(2,385.98)	(2,231.64)

Sensitivity

The sensitivity of profit and loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

Particulars	For the half year ended September 30, 2023	For the year ended March 31, 2023
USD sensitivity*		
INR/USD- increase by 5%	(3,419.90)	(2,084.56)
INR/USD- decrease by 5%	3,419.90	2,084.56

** Holding all other variables constant*

b) Interest rate risk

i) Liabilities

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. 'The Group's policy is to minimise interest rate cash flow risk exposures on long-term financing. As at September 30, 2023, the Group is exposed to changes in market interest rates through debt securities, other borrowings and subordinated liabilities at variable interest rates.

Interest rate risk exposure

Below is the overall exposure of the Group to interest rate risk:

Particulars	As at September 30, 2023	As at March 31, 2023
Variable rate liabilities		
Debt securities	-	-
Borrowings other than debt securities	303,769.77	170,303.80
Subordinated liabilities	20,000.00	20,000.00
Fixed rate liabilities		
Debt securities	81,922.60	109,643.58
Borrowings other than debt securities	312,608.32	274,054.46
Subordinated liabilities	9,986.26	17,122.90
Total	**728,286.95**	**591,124.74**

Sensitivity

The profits earned by the Group are sensitive to the change in interest rates on debt securities. The following table shows the sensitivity of profit/(loss) due to change in interest rates:

Particulars	For the half year ended September 30, 2023	For the year ended March 31, 2023
Interest sensitivity*		
Interest rates – increase by 0.50%	(717.26)	(774.96)
Interest rates – decrease by 0.50%	717.26	774.96

** Holding all other variables constant*

ii) Assets

The Group's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

(All amounts in ₹ lakhs, unless otherwise stated)

c) Price risk

i) Exposure

The Group's exposure price risk arises from investments held and classified in the balance sheet either as fair value through other comprehensive income or at fair value through profit and loss. To manage the price risk arising from investments, the Group diversifies its portfolio of assets.

ii) Sensitivity

The table below summarises the impact of increases/decreases of the index on the Group's equity and profit for the period:

Impact on profit before tax

Particulars	**For the half year ended September 30, 2023**	**For the year ended March 31, 2023**
Mutual fund, Certificate of deposits and commercial paper		
Net assets value – increase by 5%	249.91	-
Net assets value – decrease by 5%	(249.91)	-

18 Capital management

The primary objectives of the Group's capital management policy is to ensure that the Group complies with capital adequacy requirements required by the Reserve Bank of India and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Group's capital management objectives are

- to ensure the Group's ability to continue as a going concern
- to comply with externally imposed capital requirement and maintain strong credit ratings
- to provide an adequate return to shareholders

Management assesses the Group's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the sub-ordination levels of the Group's various classes of debt. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

Particulars	**As at September 30, 2023**	**As at March 31, 2023**
Net debt*	583,334.48	484,903.79
Total equity	190,019.29	162,812.44
Net debt to equity ratio	**3.07**	**2.98**

* Net debt includes debt securities + borrowings other than debt securities + sub-ordinated liabilities + interest accrued - cash and cash equivalents - bank balances other than cash and cash equivalents.

SATIN CREDITCARE NETWORK LIMITED

Selected explanatory notes to the Unaudited Interim Condensed Consolidated financial statements for the half year ended September 30, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

19 Related party disclosures

A List of related parties and disclosures

Key managerial personnel and their relatives:

Name of key managerial personnel	**Designation**
Mr. Harvinder Pal Singh	Chairman cum Managing Director
Mr. Jugal Kataria	Group Controller
Mr. Rakesh Sachdeva	Chief Financial Officer
Mr. Manoj Agrawal (w.e.f. August 11, 2023)	Deputy Chief Financial Officer
Mr. Vipul Sharma (w.e.f. May 12, 2021 till September 10, 2022)	Company Secretary and Compliance Officer
Mr. Vikas Gupta (w.e.f. October 8, 2022)	Company Secretary and Compliance Officer
Mr. Satvinder Singh	Non-Executive and Non-Independent Director
Mr. Sundeep Kumar Mehta	Non-Executive and Independent Director
Mr. Sanjay Kumar Bhatia	Non-Executive and Independent Director
Mr. Anil Kumar Kalra	Non-Executive and Independent Director
Mr. Chrisitan Bernhard Ramm (till March 1, 2023)	Nominee Director
Mr. Goh Colin	Non-Executive and Independent Director
Mrs. Sangeeta Khorana	Non-Executive and Independent Director
Satin Housing Finance Limited	
Mr. Sachin Sharma	Chief Financial Officer
Mr. Prince Kumar (till April 27, 2022)	Company Secretary
Ms. Vaishali Goyal (w.e.f. April 28, 2022)	Company Secretary
Mr. Amit Sharma	Managing Director and Chief Executive Officer
Dr. Jyoti Ahluwalia (w.e.f. April 27, 2022)	Director
Taraashna Financial Services Limited*	
Mr. Partha Mukherjee (till August 31, 2022)	Chief Executive Officer & Whole Time Director
Mr. Rahul Garg (till February 28, 2023)	Chief Financial Officer
Ms. Sneha Khanduja (w.e.f. July 29, 2022 till February 28, 2023)	Company Secretary
Satin Finserv Limited*	
Mr. Arjun Bansal	Chief Financial Officer
Mr. Puneet Jolly	Company secretary
Mr. Sumit Mukherjee (till August 31, 2023)	Director & Chief Executive Officer

**Taraashna Financial Services Limited got merged with Satin Finserv Limited vide NCLT order dated March 1, 2023)*

Enterprises over which key management personnel and relatives of such personnel exercise significant influence with whom transactions have been undertaken:

Satin Neo Dimensions Private Limited

B Details of transactions with related parties carried out in the ordinary course of business:

Name of related party	**Nature of transaction**	**For the half year ended September 30, 2023**	**For the half year ended September 30, 2022**
Mr. Harvinder Pal Singh	Remuneration	70.53	70.16
	Provident fund and others	7.20	7.20
	Personal guarantees given	32,850.00	9,750.00
	Personal guarantees withdrawn	20,660.10	7,539.22
	Personal guarantees withdrawn	-	10,000.00
Mr. Harvinder Pal Singh and Mr. Satvinder Singh	Personal guarantees given (jointly)	256,150.00	17,500.00
	Personal guarantees withdrawn (jointly)	171,187.72	43,153.85
Mr. Jugal Kataria	Remuneration	76.47	70.15
Mr. Rakesh Sachdeva	Remuneration	40.26	39.03
Mr. Vipul Sharma	Remuneration	-	8.52
Mr. Vikas Gupta	Remuneration	18.29	-
Mr. Manoj Agrawal	Remuneration	15.73	-
Mr. Partha Mukherjee	Remuneration	-	17.50
Mr. Rahul Garg	Remuneration	-	11.05
Ms. Sneha Khanduja	Remuneration	-	0.97
Mr. Amit Sharma	Remuneration	52.78	40.75
Mr. Sachin Sharma	Remuneration	31.17	27.51
Mr. Prince Kumar	Remuneration	-	0.56
Ms. Vaishali Goyal	Remuneration	7.51	5.89
Mr. Sumit Mukherjee	Remuneration	44.00	52.80
Mr.Arjun Bansal	Remuneration	13.31	11.75
Mr. Puneet Jolly	Remuneration	8.80	7.54
Mr. Satvinder Singh	Sitting fees	2.50	1.90
Mr. Sundeep Kumar Mehta	Sitting fees	3.70	2.90
Mrs. Sangeeta Khorana	Sitting fees	2.30	0.80
Mr. Goh Colin	Sitting fees	2.50	1.80
Mr. Anil Kumar Kalra	Sitting fees	2.75	2.20
Mr. Sanjay Kumar Bhatia	Sitting fees	2.85	1.80
Dr. Jyoti Ahluwalia	Sitting fees	0.40	0.30
Satin Neo Dimensions Private Limited	Interest income	7.00	15.78
	Inter corporate loan received back	48.94	40.43

(All amounts in ₹ lakhs, unless otherwise stated)

C Key management personnel compensation includes the following expenses:

Particulars	**For the half year ended September 30, 2023**	**For the half year ended September 30, 2022**
Short-term employee benefits	386.05	371.35
Post employment benefits	10.39	13.92
Other long-term benefits*	(0.20)	9.20

*Reversal on account of change in acturial assumptions in previous year.

D Outstanding balances with related parties in ordinary course of business:

Name of related party	**Nature of balance**	**As at September 30, 2023**	**As at March 31, 2023**
Mr. Harvinder Pal Singh	Personal guarantees against borrowings^	40,321.60	28,131.70
Mr. Harvinder Pal Singh and Mr. Satvinder Singh	Personal guarantees (jointly) against borrowings^	194,847.51	109,885.23
Mr. Goh Colin	Sitting fees	1.65	0.58
Mr. Anil Kumar Kalra	Sitting fees	0.41	0.63
Mr. Sanjay Kumar Bhatia	Sitting fees	-	0.63
Mr. Satvinder Singh	Sitting fees	0.23	0.27
Mr. Sundeep Kumar Mehta	Sitting fees	0.23	0.27
Mrs. Sangeeta Khorana	Sitting fees	-	0.63
Satin Neo Dimensions Private Limited	Inter corporate loan	48.54	97.48
	Maximum outstanding against Inter corporate loan	97.48	157.54
	Interest accrued	0.76	1.52

^Personal guarantee balances outstanding indicates outstanding amount of borrowings against which guarantee was given.

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20 Segment information

The Group operates in a single reportable segment i.e. financing, which has similar risks and returns for the purpose of Ind AS 108 "Operating segments", is considered to be the only reportable business segment. the Group derives its major revenues from financing activities and its customers are widespread. Further, the Group operates only in India which is considered as a single geographical segment.

21 Contingent liabilities and commitments:

(to the extent not provided for)

i) The Parent Company has received income tax notice under section 143(3) of the Income Tax Act 1961 dated April 05, 2021 for tax demand amounting to ₹ 194.63 lakhs on account of disallowance of expenses under section 43B and 36(1)(va) for assessment year 2018-19. In response to such notice, the company had filed rectification under section 154 and correspondingly received the order under said section dated March 12, 2023 from asessing office reducing the demand to ₹ 64.96 lakhs. The company has also filed an appeal with CIT (A) against such demand which is pending for hearing.

ii) The Parent Company has received income tax notice under section 143(3) of the Income Tax Act, 1961 dated September 24, 2022 for tax demand amounting to ₹ 67.35 lakhs on account of disallowance under section 14A for assessment year 2020-21. In response to such notice, the company has filed an appeal with CIT (A) against such demand which is pending for hearing.

iii) The Parent Company has received income tax notice under section 143(1) and 143(3) of the Income Tax Act, 1961 dated September 22, 2022 and December 20, 2022 respectively for tax demand amounting to ₹ 389.40 lakhs on account of disallowance under section 41 and section 14A for assessment year 2021-22. In response to such notice, the parent company had filed rectification under section 154 and correspondingly received the order under said section dated April 04, 2023 from assessing office reducing the demand by ₹ 295.72 lakhs resulted the demand reduced to ₹ 93.68 lakhs. The parent company has also filed an appeal with CIT (A) against such demand which is pending for hearing.

iv)

Particulars	**As at September 30, 2023**	**As at March 31, 2023**
The Group has undrawn exposure towards borrowers	3,200.17	4,210.80
Total	**3,200.17**	**4,210.80**

22 The secured non-convertible debentures issued by the Parent Company are fully secured by first pari passu charge by mortgage of an immovable property of the Parent Company and/or by hypothecation of book debts/loan receivables to the extent as stated in the information memorandum. Further, the Parent Company has maintained asset cover as stated in the information memorandum which is sufficient to discharge the principal amount at all times for the non-convertible debt securities issued.

23 During the half year ended September 30, 2023, the Parent Company has allotted following Non-Convertible Debentures on private placement basis -

i) 1,500 Secured, Rated, Listed, Redeemable, Transferable, Non-Convertible Debentures of face value of ₹ 1,00,000 each aggregating to ₹ 1,500.00 lakhs on July 28, 2023.

ii) 2,683 Unlisted, Rated, Secured, Redeemable, Non-Convertible Debentures of face value of ₹ 1,00,000 each aggregating to ₹ 2,683.00 lakhs on August 9, 2023.

iii) 1,417 Unlisted, Rated, Secured, Redeemable, Non-Convertible Debentures of face value of ₹ 1,00,000 each aggregating to ₹ 1,417.00 lakhs on August 14, 2023.

iv) 2,000 Secured, Rated, Listed, Redeemable, Transferable, Non-Convertible Debentures of face value of ₹ 1,00,000 each aggregating to ₹ 2,000.00 lakhs on August 21, 2023.

24 During the half year ended September 30, 2023, the Parent Company has received an amount of ₹1,781.25 Lakhs and ₹4,999.99 Lakhs from Trishashna Holdings and Investments Private Limited (Entity belonging to Promoter Group) and Florintree Ventures LLP (Entity belonging to Non-Promoter Group) in pursuance to conversion of 29,23,076 and 82,05,128 fully convertible warrants, issued on preferential basis, into equivalent number of equity shares of ₹ 10 each, respectively.

25 During the half year ended September 30, 2023, the Parent Company has been allotted 31,471 equity shares of ₹ 10 each by Jay Kay Financial Technologies Pvt. Ltd. (which constitutes of 12.20% of total share capital on fully diluted basis) at the revised issue price of ₹ 349.52/- per equity share pursuant to conversion of 21,845 Compulsory Convertible Preference shares.

26 The Board of Directors of the Parent Comapny in their meeting held on October 19, 2023 had approved the proposal for raising of funds for an aggregate amount of up to ₹ 3,000 million (Rupees three thousand million), in one or more tranches and/or one or more issuances, simultaneously or otherwise, including by way of private placement(s), qualified institutions placement(s) and/or any combination thereof or any other method as may be permitted in accordance with the applicable provisions of the Companies Act, 2013, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, (each as amended) and any other applicable law. Subsequently, the Shareholder of the Parent Company in its extra ordinary general meeting held on November 27, 2023 had also approved the aforesaid proposal.

27 The Parent Company in its extra ordinary general meeting held on November 27, 2023 has also increased the Authorised Share Capital of the Parent Company to ₹200,00,00,000/- (Rupees Two Hundred Crore only) divided into 12,50,00,000 (Twelve Crore Fifty Lakh) Equity Shares of ₹10/- (Rupees Ten only) each and 7,50,00,000 (Seven Crore Fifty Lakh) Preference Shares of ₹10/- (Rupees Ten only) each by creation of additional 2,00,00,000 (Two Crore) Equity Shares and consequent alteration in Clause V of the Memorandum of Association of the Parent Company.

28 After September 30, 2023, the Parent Company has allotted following Non-Convertible Debentures on private placement basis –

i) 5,000 Secured, Rated, Listed, Redeemable, Transferable, Non-Convertible Debentures of face value of ₹ 1,00,000 each aggregating to ₹5,000.00 lakhs on October 13, 2023.

ii) 10,000 Secured, Rated, Listed, Redeemable, Transferable, Non-Convertible Debentures of face value of ₹ 1,00,000 each aggregating to ₹10,000.00 lakhs on November 1, 2023.

iii) 2,000 Secured, Rated, Listed, Redeemable, Transferable, Non-Convertible Debentures of face value of ₹ 1,00,000 each aggregating to ₹2,000.00 lakhs on November 7, 2023.

iv) 3,500 Secured, Rated, Listed, Redeemable, Transferable, Non-Convertible Debentures of face value of ₹ 1,00,000 each aggregating to ₹3,500.00 lakhs on November 24, 2023.

v) 45,650 Secured, Rated, Unlisted, Redeemable, Transferable, Non-Convertible Debentures of face value of ₹ 10,000 each aggregating to ₹4,565.00 lakhs on December 1, 2023.

29 There were no material events to be recognised or reported subsequent to September 30, 2023 but prior to the approval of the financial statements that are not already disclosed elsewhere in these financial statements.

30 Previous year/periods figures have been regrouped/rearranged to make them comparable with the current period classfication.

For S S Kothari Mehta & Co
Chartered Accountants
Firm's Registration No. 000756N

For and on behalf of the Board of Directors
Satin Creditcare Network Limited

Naveen Aggarwal
Partner
Membership Number: 094380

Harvinder Pal Singh
(Chairman cum Managing Director)
DIN: 00333754

Rakesh Sachdeva
(Chief Financial Officer)

Place : Gurugram
Date : December 14, 2023

Place : Gurugram
Date : December 14, 2023

DETAILS OF PROPOSED ALLOTTEES

In compliance with the requirements of Chapter VI of the SEBI ICDR Regulations, Allotments pursuant to the Issue shall be made by our Company, in consultation with the Book Running Lead Manager, to Eligible QIBs only, on a discretionary basis.

The names of the proposed Allottees and the percentage of post-Issue share capital that may be held by them, is set forth below:

Sr. No.	Name of the proposed Allotees	Percentage of the post-Issue share capital (%)^
1.	[●]	[●]
2.	[●]	[●]
3.	[●]	[●]

^Based on beneficiary position as on [●], 2023

(*Note: The above table has been intentionally left blank and will be filled-in before the filing of the Placement Document with the Stock Exchanges*)

DECLARATION

Our Company certifies that all relevant provisions of Chapter VI read with Schedule VII of the SEBI ICDR Regulations have been complied with and no statement made in this Preliminary Placement Document is contrary to the provisions of Chapter VI and Schedule VII of the SEBI ICDR Regulations. Our Company further certifies that all the statements in this Preliminary Placement Document are true and correct.

Signed by:

____

Harvinder Pal Singh
Chairman cum Managing Director
(DIN: 00333754)

Place: Gurugram
Date: December 14, 2023

DECLARATION

We, the Board of Directors of the Company, certify that:

(i) our Company has complied with the provisions of the Companies Act, 2013 and the rules made thereunder;

(ii) the compliance with the Companies Act, 2013 and the rules thereunder, does not imply that payment of dividend or interest or repayment of preference shares or debentures, if applicable, is guaranteed by the Central Government; and

(iii) the monies received under the Issue shall be used only for the purposes and objects indicated in this Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4).

For and on behalf of the Board, signed by:

____

Harvinder Pal Singh
Chairman cum Managing Director
(DIN: 00333754)

I am severally authorised by the Fund Raising Committee of our Company, *vide* resolution dated December 14, 2023, to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct, and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and the Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly, and legibly attached to this form.

Signed by:

____

Harvinder Pal Singh
Chairman cum Managing Director
(DIN: 00333754)

Place: Gurugram
Date: December 14, 2023

SATIN CREDITCARE NETWORK LIMITED
CIN: L65991DL1990PLC041796

Registered and Corporate Office

Registered Office - 5th Floor, Kundan Bhawan, Azadpur Commercial Complex,
Azadpur, North West, Delhi-110033, India
Corporate Office - Plot No. 492, Udyog Vihar Phase-III,
Gurugram-122016, Haryana, India

Details of Compliance Officer

Vikas Gupta, Company Secretary and Chief Compliance Officer
Telephone: +91 0124 4715400 **| E-mail address:** secretarial@satincreditcare.com

BOOK RUNNING LEAD MANAGER

JM Financial Limited
7th Floor, Cnergy
Appasaheb Marathe Marg
Prabhadevi, Mumbai – 400 025

DOMESTIC LEGAL COUNSEL TO ISSUE

J. Sagar Associates
B-303, 3rd Floor, Ansal Plaza,
Hudco Place,
August Kranti Marg,
New Delhi – 110049, India

INTERNATIONAL LEGAL COUNSEL TO THE BOOK RUNNING LEAD MANAGER WITH RESPECT TO SELLING AND TRANSFER RESTRICTIONS

Hogan Lovells Lee & Lee

50 Collyer Quay
#10-01 OUE Bayfront
Singapore - 049321

STATUTORY AUDITORS

S S Kothari Mehta & Company, Chartered Accountants
Firm Registration Number: 000756N
Address: Plot No. 68, Okhla Industrial Area, Phase III, New Delhi-110020, India

APPLICATION FORM

"An indicative form of the Application Form is set forth below:"

<table>
<tr><td>

SATIN CREDITCARE NETWORK LIMITED

(*Incorporated in the Republic of India under the provisions of the Companies Act, 1956*)
Registered Office: 5th Floor, Kundan Bhawan Azadpur Commercial Complex, Azadpur, North West, Delhi-110033, India
Corporate Office: Plot No. 492, Udyog Vihar Phase-III, Gurugram-122016, Haryana, India
Telephone: +91 0124 4715400
Contact Person: Vikas Gupta, Company Secretary and Chief Compliance Officer | **E-mail address:** secretarial@satincreditcare.com **Website:** www.satincreditcare.com
CIN: L65991DL1990PLC041796 | **LEI**: 335800V8FIS7PR5S3K73 | **ISIN:** INE836B01017
</td><td>

APPLICATION FORM

Name of Bidder: ___________________

Form No: _________________________

Date: ______________________________
</td></tr>
</table>

QUALIFIED INSTITUTIONS PLACEMENT OF [●] EQUITY SHARES OF FACE VALUE ₹ 10 EACH (THE "EQUITY SHARES") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE ("ISSUE PRICE"), INCLUDING A PREMIUM OF ₹ [●] PER EQUITY SHARE, AGGREGATING TO ₹ [●] UNDER CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS") AND SECTION 42 OF THE COMPANIES ACT, 2013, AS AMENDED (THE "COMPANIES ACT"), READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (THE "PAS RULES"), AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT AND THE RULES MADE THEREUNDER BY SATIN CREDITCARE NETWORK LIMITED (THE "COMPANY") (HEREINAFTER REFERRED TO AS THE "ISSUE"). THE APPLICABLE FLOOR PRICE OF THE EQUITY SHARES IS ₹ 242.81 AND THE COMPANY MAY OFFER A DISCOUNT ON THE FLOOR PRICE IN TERMS OF REGULATION 176(1) OF THE SEBI ICDR REGULATIONS AND IN ACCORDANCE WITH THE APPROVAL OF ITS SHAREHOLDERS.

Only Qualified Institutional Buyers ("QIBs") as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and which (i) are not, (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations or including foreign exchange laws; or other applicable laws ,or (b) which are not prohibited or debarred by any regulatory authority for buying or selling or dealing in securities or restricted from participating in the Issue under the SEBI ICDR Regulations and other applicable laws; (c) hold a valid and existing registration under the applicable laws in India (as applicable); and (d) are eligible to invest in the Issue and submit this Application Form, and (ii) are residents in India or Eligible FPIs (as defined herein below) participating through Schedule II of the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 ("FEMA Rules"), defined hereinafter or a multilateral or bilateral development financial institution eligible to invest in India under applicable law including the FEMA Rules; can submit this Application Form. The Equity Shares offered in the Issue have not been and will not be registered under the Securities Act of 1933, as amended (the "Securities Act"), or any state securities laws in the United States, and unless so registered, and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any applicable U.S. state securities laws. You understand that the Equity Shares offered in the Issue are being offered and sold only outside the United States in "offshore transactions", as defined in, and in reliance on, Regulation S under the Securities Act ("Regulation S") and you represent that you were outside the United States when the offer to purchase the Equity Shares was made to you and you are currently outside the United States and that you are not acquiring or subscribing for the Equity Shares as a result of any "directed selling efforts" (as defined in Regulation S).You should note and observe the solicitation and distribution restrictions contained in the sections "Selling Restrictions" and "Transfer Restrictions" on pages 274 and 281, respectively in the accompanying preliminary placement document dated December 14, 2023 (the "PPD").

ELIGIBLE FPIs ARE PERMITTED TO PARTICIPATE IN THIS ISSUE, THROUGH PORTFOLIO INVESTMENT SCHEME UNDER SCHEDULE II OF THE FEMA RULES, SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND SUCH THAT THE SHAREHOLDING OF ELIGIBLE FPIs DO NOT EXCEED SPECIFIED LIMITS AS PRESCRIBED UNDER APPLICABLE LAWS IN THIS REGARD. ALLOTMENTS MADE TO AIFS AND VCFS IN THE ISSUE SHALL REMAIN SUBJECT TO THE RULES AND REGULATIONS APPLICABLE TO EACH OF THEM RESPECTIVELY, INCLUDING THE FEMA RULES. PURSUANT TO FDI POLICY READ ALONG WITH PRESS NOTE NO. 3 (2020 SERIES), DATED APRIL 17, 2020, ISSUED BY THE DEPARTMENT FOR PROMOTION OF INDUSTRY AND INTERNAL TRADE, GOVERNMENT OF INDIA, AND RULE 6 OF THE FEMA NON DEBT RULES, INVESTMENTS BY AN ENTITY OF A COUNTRY WHICH SHARES LAND BORDER WITH INDIA OR WHERE THE BENEFICIAL OWNER OF SUCH INVESTMENT IS SITUATED IN OR IS A CITIZEN OF SUCH COUNTRY, MAY ONLY BE MADE THROUGH THE GOVERNMENT APPROVAL ROUTE. OTHER ELIGIBLE NON-RESIDENT QIBS SHALL PARTICIPATE IN THE ISSUE UNDER SCHEDULE I OF FEMA RULES. FVCIs ARE NOT PERMITTED TO PARTICIPATE IN THE ISSUE.

To,

The Board of Directors
SATIN CREDITCARE NETWORK LIMITED
Plot No. 492, Udyog Vihar Phase-III,
Gurugram-122016, Haryana, India

Dear Sirs,

On the basis of the serially numbered PPD of the Company and subject to the terms and conditions contained therein, and in this Application Form, we hereby submit our Application Form for the Allotment of the Equity Shares in the Issue, at the terms and price indicated below. We confirm, that we have a valid and existing registration under applicable laws and regulations of India, and undertake
to acquire, hold, manage or dispose of any Equity Shares that are Allotted to us in accordance with Chapter VI of the SEBI ICDR Regulations and undertake to comply with the SEBI ICDR Regulations, and all other applicable laws, including any reporting obligations and the terms and conditions mentioned in the PPD and this Application Form. We confirm that we are an eligible QIB as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and are not: (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; and (b) restricted from participating in the Issue under the applicable laws, including SEBI ICDR Regulations. We are not a promoter of the Company (as defined in the SEBI ICDR Regulations), or any person related to the promoters of the Company, directly or indirectly and this Application Form does not directly or indirectly represent the promoter or promoter group or persons related to the promoter. Further, we confirm that we do not have any right under a shareholders' agreement or voting agreement entered into with promoters or persons related to promoters of the Company, veto rights or right to appoint any nominee director on the board of directors of the Company. We confirm that we are either an Eligible QIB which is resident in India, or an Eligible FPI, participating through Schedule II of the FEMA Non- Debt Rules or a multilateral or bilateral development financial institution eligible to invest in India under applicable law. We specifically confirm that our Bid for the Allotment of the Equity Shares is not in violation to the amendment made to Rule 6(a) of the FEMA Rules by the Central Government on April 22, 2020. We confirm that we are neither an AIF or VCF whose sponsor and manager is not Indian owned and controlled in terms of the FEMA Rules, nor an FVCI. We confirm that the signatory is authorized to apply on behalf of the Bidder and the Bidder has all the relevant approvals for applying in the Issue.

STATUS (Please ✓)			
FI	Scheduled Commercial Banks and Financial Institutions	**AIF**	Alternative Investment Fund*
MF	Mutual Funds	**IF**	Insurance Funds
FPI	Eligible Foreign Portfolio Investors**	**NIF**	National Investment Fund
VCF	Venture Capital Funds	**SI-NBFC**	Systemically Important Non-Banking Financial Companies
IC	Insurance Companies	**OTH**	Others _________________ (Please specify)

Total shares currently held by QIB or QIBs belonging to the same group or those who are under common control. For details of what constitutes "*same group*" or "*common control*", see "*Application Form*" under *Issue Procedure* section of the PPD.

* *Sponsor and Manager should be Indian owned and controlled.*

***Foreign portfolio investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended, other than individuals, corporate bodies and family offices who are not allowed to participate in the Issue*

We confirm that the Bid size / aggregate number of the Equity Shares applied for by us, and which may be Allocated to us thereon will not exceed the relevant regulatory or approved limits and further confirm that our Bid will not result in triggering an open offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the "**Takeover Regulations**").We confirm, that we have a valid and existing registration under applicable laws and regulations of India, and undertake to acquire, hold, manage or dispose of any Equity Shares that are Allotted to us in accordance with Chapter VI of the SEBI ICDR Regulations and undertake to comply with the SEBI ICDR Regulations, and all other applicable laws, including any reporting obligations. We confirm that, in relation to our application, each foreign portfolio investor ("**FPI**") as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended (other than individuals, corporate bodies and family offices), and including persons who have been registered under these regulations (such FPIs, "**Eligible FPIs**"), have submitted a separate Application Form, and asset management companies of mutual funds have specified the details of each scheme for which the application is being made along with the Bid Amount and number of shares to be Allotted under each scheme. We undertake that we will sign all such documents, provide such documents and do all such acts, if any, necessary on our part to enable us to be registered as the holder(s) of the Equity Shares that may be Allotted to us. We confirm that the signatory is authorized to apply on behalf of the Bidder and the Bidder has all the relevant authorisations. We note that the Company is entitled, in consultation with JM Financial Limited (the "**BRLM**"), in their sole discretion, to accept or reject this Application Form without assigning any reason thereof.

We hereby agree to accept the Equity Shares applied for, or such lesser number of Equity Shares as may be Allocated to us, subject to the provisions of the memorandum of association and articles of association of the Company, applicable laws and regulations, the terms of the PPD, Placement Document and the CAN, when issued and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below, subject to receipt of Application Form and the Bid Amount towards the Equity Shares that may be allocated to us. The amount payable by us as Bid Amount for the Equity Shares applied for has been/will be remitted to the designated bank account set out in this Application Form through electronic mode, along with this Application Form prior to the Bid/Issue Closing Date and such Bid Amount has been /will be transferred from a bank account maintained in our name. We acknowledge and agree that we shall not make any payment in cash or cheque. We are aware that (i) Allocation and Allotment in the Issue shall be at the sole discretion of the Company, in consultation with the BRLM; and (ii) in the event that Equity Shares that we have applied for are not Allotted to us in full or at all, and/or the Bid Amount is in excess of the amount equivalent to the product of the Equity Shares that will be Allocated to us and the Issue Price, or the Company is unable to issue and Allot the Equity Shares offered in the Issue or if there is a cancellation of the Issue, or the listing of the Equity Shares does not occur in the manner described in the PPD, the Placement Document, the SEBI ICDR Regulations and other applicable laws, the Bid Amount or a portion thereof, as applicable, will be refunded to the same bank account from which the Bid Amount was paid by us. Further, we agree to comply with the rules and regulations that are applicable to us, including in relation to the lock-in and transferability requirements. In this regard, we authorize the Company to issue instructions to the depositories for such lock-in and transferability requirements, as may be applicable to us.

We acknowledge and agree that (i) our names, address, contact details, PAN, bank account details and the number of Equity Shares Allotted, along with other relevant information as may be required, will be recorded by the Company in the format prescribed in terms of the PAS Rules; (ii) in the event that any Equity Shares are Allocated to us in the Issue, we are aware pursuant to the requirements under Form PAS-4 of the PAS Rules that our names (as proposed Allottees) and the percentage of our post-Issue shareholding in the Company will be disclosed in the Placement Document, and we are further aware that disclosure of such details in relation to us in the Placement Document will not guarantee Allotment to us, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the BRLM; and (iii) in the event that Equity Shares are Allotted to us in the Issue, the Company will place our name in the register of members of the Company as a holder of such Equity Shares that may be Allotted to us and in the Form PAS-3 filed by the Company with the Registrar of Companies, National Capital Territory of Delhi and Haryana (the "**RoC**") as required in terms of the PAS Rules. Further, we are aware and agree that if we, together with any other QIBs belonging to the same group or under common control, are Allotted more than 5% of the Equity Shares in the Issue, the Company shall be required to disclose our name, along with the names of such other Allottees and the number of Equity Shares Allotted to us and to such other Allottees, on the websites of the National Stock Exchange of India Limited and BSE Limited (together, the "**Stock Exchanges**"), and we consent to such disclosures. In addition, we confirm that we are eligible to invest in Equity Shares under the SEBI ICDR Regulations, circulars issued by the RBI and other applicable laws.

By signing and submitting this Application Form, we hereby confirm and agree that the representations, warranties, acknowledgements and agreements as provided in the sections "*Notice to Investors*", "*Representations by Investors*", "*Issue Procedure*" and "*Selling Restrictions*" and "*Transfer Restrictions"* sections of the PPD and the terms, conditions and agreements mentioned herein are true and correct and acknowledge and agree that these representations and warranties are given by us for the benefit of the Company and the BRLM, each of whom is entitled to rely on, and is relying on, these representations and warranties in consummating the Issue.

By signing and submitting this Application Form, we hereby represent, warrant, acknowledge and agree as follows: (1) we have been provided with a serially numbered copy of the PPD along with the Application Form, have read it in its entirety including in particular, the section "***Risk Factors***" therein and we have relied only on the information contained in the PPD and not on any other information obtained by us either from the Company, the BRLM or from any other source, including publicly available information; (2) we will abide by the PPD and the Placement Document, this Application Form, the confirmation of allocation note ("**CAN**"), when issued, and the terms, conditions and agreements contained therein; (3) that if Equity Shares are Allotted to us pursuant to the Issue, we shall not sell such Equity Shares otherwise than on the floor of a recognised stock exchange in India for a period of one year from the date of Allotment; (4) we will not have the right to withdraw our Bid or revise our Bid downwards after the Bid/Issue Closing Date; (5) we will not trade in the Equity Shares credited to our beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges; (6) Equity Shares shall be Allocated and Allotted at the discretion of the Company, in consultation with the BRLM, and the submission of this Application Form and payment of the corresponding Bid Amount by us does not guarantee any Allocation or Allotment of Equity Shares to us in full or in part; (7) in terms of the requirements of the Companies Act, upon Allocation, the Company will be required to disclose names and percentage of our post-Issue shareholding of the proposed Allottees in the Placement Document; however, disclosure of such details in relation to us in the Placement Document will not guarantee Allotment to us, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the BRLM; (8) the number of Equity Shares Allotted to us pursuant to the Issue, together with other Allottees that belong to the same group or are under common control as us, shall not exceed 50% of the Issue and we shall provide all necessary information in this regard to the Company and the BRLM. For the purposes of this representation: The expression 'belong to the same group' shall derive meaning from Regulation 180(2) of the SEBI ICDR Regulations, i.e., entities where (i) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (ii) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (iii) there is a common director, excluding nominee and independent directors, among the Eligible QIBs, its subsidiary or holding company and any other QIB; and 'control' shall have the same meaning as is assigned to it under Regulation 2(1)(e) of the Takeover Regulations; (9) We agree to accept the Equity Shares applied for, or such lesser number of Equity Shares as may be Allocated to us, subject to the provisions of the memorandum of association and articles of association of the Company, applicable laws and regulations, the terms of the PPD and the Placement Document, this Application Form, the CAN upon its issuance and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below.

By signing and submitting this Application Form, we further represent, warrant and agree that we have such knowledge and experience in financial and business matters that we are capable of evaluating the merits and risks of the prospective investment in the Equity Shares and we understand the risks involved in making an investment in the Equity Shares. No action has been taken by us or any of our affiliates or representatives to permit a public offering of the Equity Shares in any jurisdiction. We satisfy any and all relevant suitability standards for investors in Equity Shares, have the ability to bear the economic risk of our investment in the Equity Shares, have adequate means of providing for our current and contingent needs, have no need for liquidity with respect to our investment in Equity Shares and are able to sustain a complete loss of our investment in the Equity Shares. We acknowledge that once a duly filled Application Form is submitted by an Eligible QIB, whether signed or not, and the Bid Amount has been transferred to the Escrow Account (as detailed below), such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Issue Closing Date. In case Bids are being made on behalf of the Eligible QIB and this Application Form is unsigned, we confirm that we are authorized to submit this Application Form and provide necessary instructions for transfer of the Bid Amount to the Escrow Account, on behalf of the Eligible QIB.

We acknowledge that the Equity Shares offered in the Issue have not been and will not be registered under the Securities Act or the securities laws of any state of the United States and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. **By signing this Application Form and checking the applicable box above, we hereby represent, warrant, acknowledge and agree that we are located outside the United States and purchasing the Equity Shares in an 'offshore transaction' as defined in, and in reliance on, Regulation S and in compliance with the applicable laws of the jurisdiction where those offers and sales are made.**

BIDDER DETAILS (in Block Letters)			
NAME OF BIDDER*			
NATIONALITY			
REGISTERED ADDRESS			
CITY AND CODE			
COUNTRY			
TELEPHONE NO.		**FAX.**	
EMAIL ID			
FOR ELIGIBLE FPIs**	SEBI FPI REGISTRATION NO. ____		
FOR MFs	SEBI MF REGISTRATION NO. ____		

FOR AIFs* **	SEBI AIF REGISTRATION NO. ____________________
FOR VCFs* **	SEBI VCF REGISTRATION NO. ____________________
FOR SI-NBFC	RBI REGISTRATION DETAILS____________________
FOR INSURANCE COMPANIES	IRDAI REGISTRATION DETAILS ____________________

**Name should exactly match with the name in which the beneficiary account is held. Bid Amount payable on Equity Shares applied for by joint holders shall be paid from the bank account of the person whose name appears first in the application. Mutual Fund Bidders are requested to provide details of the Bids made by each scheme of the Mutual Fund. Each Eligible FPI is required to fill a separate Application Form. Further, any discrepancy in the name as mentioned in this Application Form with the depository records would render the application invalid and liable to be rejected at the sole discretion of the Issuer and the BRLM.*
***In case you are an FPI holding a valid certificate of registration and eligible to invest in the Issue, please mention your SEBI FPI Registration Number.*
****Allotments made to AIFs and VCFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. AIFs and VCFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.*

We are aware that the number of Equity Shares in the Company held by us, together with the number of Equity Shares, if any, allocated to us in the Issue will be aggregated to disclose the percentage of our post-Issue shareholding in the Company in the Placement Document in line with the requirements under Form PAS-4 of the PAS Rules. For such information, the BRLM will rely on the information provided by the Registrar for obtaining details of our shareholding and we consent and authorize such disclosure in the Placement Document.

ESCROW ACCOUNT - BANK ACCOUNT DETAILS FOR PAYMENT OF AMOUNT THROUGH ELECTRONIC FUND TRANSFER REMITTANCE BY WAY OF ELECTRONIC FUND TRANSFER BY [2 PM] (IST), [DATE], [DAY]	
Name of the Account	SATIN CREDITCARE NETWORK LIMITED – QIP ESCROW ACCOUNT
Name of the Bank	IDFC FIRST BANK
Address of the Branch of the Bank	Lower Ground Floor, Birla Towers, 25 Barakhamba Road, New Delhi
Legal Entity Identifier Code	335800V8FIS7PR5S3K73
Account Type	Escrow Account
Account Number	10161710900
IFSC	IDFB0020101
Tel No.	+91 9643101750
E-mail	banking@satincreditcare.com

The Bid Amount should be transferred pursuant to the Application Form. All payments must be made only by way of electronic funds transfer, in favour of "Satin Creditcare Network Limited – QIP Escrow Account". Payment of the entire Bid Amount should be made along with the Application Form on or before the closure of the Bid/Issue Period, i.e., prior to the Bid/Issue Closing Date. **The payment for subscription to the Equity Shares Allotted in the Issue shall be made only from the bank account of the person subscribing to the Equity Shares and in case of joint holders, from the bank account of the person whose name appears first in the Application Form.**

DEPOSITORY ACCOUNT DETAILS		
Depository Name (Please ✓)	National Security Depository Limited	Central Depository Services (India) Limited
Depository Participant Name		
DP – ID	I N	
Beneficiary Account Number		(16-digit beneficiary account. No. to be mentioned above)
The Demographic details like address, bank account details etc., will be obtained from the Depositories as per the beneficiary account given above. **However, for the purpose of refund, if any, only the bank details as mentioned below, from which remittance towards subscription has been made, will be considered.**		

The Bidders are responsible for the accuracy of the bank account details mentioned below and acknowledge that the successful processing of refunds if, any, shall be dependent on the accuracy of the bank account details provided by them. The Company and the BRLM shall not be liable in any manner for refunds that are not processed due to incorrect bank account details.

RUPEE BANK ACCOUNT DETAILS (FOR REMITTANCE)			
Bank Account Number		IFSC Code	
Bank Name		Bank Branch Address	
NO. OF EQUITY SHARES BID		**PRICE PER EQUITY SHARE (RUPEES)**	
(In figures)	(In words)	(In figures)	(In words)
BID AMOUNT (RUPEES)			
(In Figures)		(In Words)	

DETAILS OF CONTACT PERSON			
NAME			
ADDRESS			
TEL. NO.		**FAX NO.**	
EMAIL			

OTHER DETAILS	
PAN*	

ENCLOSURES ATTACHED
Attested/ certified true copy of the following: ☐ Copy of PAN Card or PAN allotment letter

Date of Application	
Signature of Authorised Signatory *(may be signed either physically or digitally)***	

- ☐ Copy of FPI Registration Certificate /MF Registration certificate / SEBI certificate of registration for AIFs/VCF/SI-NBFC/IC/IF
- ☐ Certified copy of the certificate of registration issued by the RBI as an SI-NBFC/ a Scheduled Commercial Bank
- ☐ Copy of notification as a public financial institution
- ☐ FIRC
- ☐ Copy of IRDAI registration certificate
- ☐ Intimation of being part of the same group
- ☐ Certified true copy of power of attorney
- ☐ Other, please specify

**It is to be specifically noted that the Bidder should not submit the GIR Number or any other identification number instead of the PAN as the applications are liable to be rejected on this ground, unless the Bidder is exempted from the requirement of obtaining a PAN number under the Income-tax Act, 1961.*
***A physical copy of the Application Form and relevant documents as required to be provided along with the Application Form shall be submitted as soon as practical.*
**** The Application Form is liable to be rejected if any information provided is incomplete and / or inadequate.*

Note:

(1) Capitalized terms used but not defined herein shall have the same meaning as ascribed to them in the PPD, unless specifically defined herein.

(2) The application form is liable to be rejected if any information provided is incomplete or inadequate at the discretion of the Company in consultation with the BRLM.
The duly filed Application Form along with all enclosures shall be submitted to the BRLM either through electronic form at the email mentioned in the PPD or through physical deliver at the address mentioned in PPD.

(3) This Application Form, the PPD and the Placement Document sent to you/ be sent to you, either in physical form or electronic form or both, are specific to you and you may not distribute or forward the same and are subject to disclaimer and restrictions contained in or accompanying these documents.

(Note: The format of the Application Form included herein above is indicative and for the illustrative purposes only and no Bids in this Issue can be made through the sample Application Form. The Company, in consultation with the BRLM, shall identify Eligible QIBs and circulate serially numbered copies of this Preliminary Placement Document and the Application Form, specifically addressed to such Eligible QIBs. Any application to be made in the Issue should be made only upon receipt of serially numbered copies of this Preliminary Placement Document and the Application Form and not on the basis of the indicative format above.)